

Herald Tribune

Published With The New York Times and The Washington Post

PARIS, FRIDAY, NOVEMBER 20, 1987

ESTABLISHED 1887

The Global Newspaper Edited and Published in Paris

No. 32,577 47/87

Iran Report: Cracks In a Protective Wall

By Haynes Johnson
Washington Post Service
WASHINGTON — When the nationally televised Iran-contra hearings ended last August, what the former national security adviser, Vice Admiral John M. Poindexter, called a protective "wall around the president" had withstood months of inquiries and revelations.

The majority report of the congressional investigating committee, issued Wednesday, jumped over that wall. The report contained only a few factual surprises and it leaves many critical aspects of the affair unresolved. But it unambiguously affirms historical responsibility for the Iran-contra affair on Ronald Reagan.

It does so in terms that come just short of suggesting the president had committed potentially impeachable offenses by failing to follow his constitutional charge to "take care that the laws be faithfully executed."

The essence of the majority report was that Mr. Reagan, as the nation's chief executive and principal law officer, could not escape responsibility for actions of his subordinates because of ignorance of their actions or the climate of secrecy that flourished in his administration.

He had a responsibility, the report says, "to leave the members of his administration in no doubt that

Criticism Increases Over Fire

Misjudgment Cited in Tube Blaze

By Warren Geller
International Herald Tribune
LONDON — The presence of fire hazards in the Underground rail system and misjudgment by the authorities were being criticized Thursday as an investigation started into the cause of a fire Wednesday in an Underground station that killed 30 people.

The fire, which engulfed the top floors of London's busiest Underground station, King's Cross, injured dozens of people. Medical officials said there could be more deaths among those hospitalized with severe burns.

Trevor Jones, a spokesman for Scotland Yard said Thursday, "From our viewpoint, terrorism has definitely been ruled out."

Paul Channon, the British Transportation Secretary, ordered an investigation. An official with the British Transport Police said his office could not exclude arson as a possibility until the investigation has been completed.

Survivors criticized London transportation officials on duty at King's Cross on Wednesday for not responding quickly enough to the dangers of a fire said to be clearly out of control.

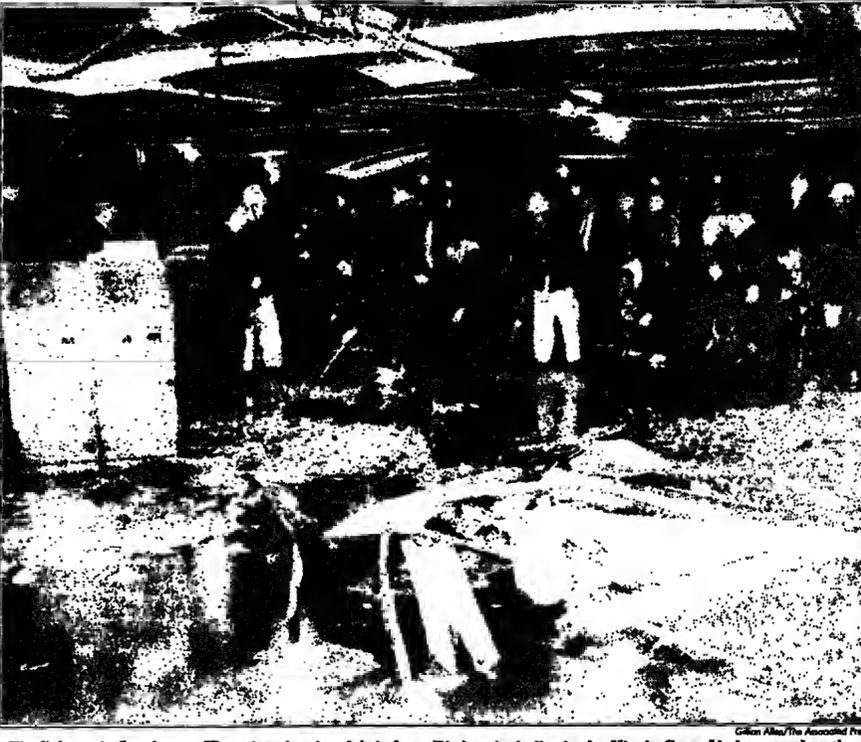
Richard Silver, a London commuter who escaped unharmed, said late Wednesday: "People were allowed to go down into the smoke. We could smell burning and see the flames, but people were still moving down escalators which had been stopped."

"Two London Transport police were at the top of the escalator," he said, "and passengers were still allowed to go down."

The fire and the high death toll provoked an outcry from public-safety lobby groups that have long argued that a major fire in the system, known as the Tube, was possible.

Most of victims died huddled in the main ticket hall, apparently overcome by a wall of noxious smoke and intense heat coming from the area near the burning escalator level below.

The ticket hall was gutted, with cracked concrete slabs indicating



Firefighters in London on Thursday cleaning debris from Wednesday's fire in the King's Cross Underground station.

Kiosk Car Auctioned For £5.5 Million

LONDON (AP) — A 1931 Bugatti Royale, an antique car of elegant design and precision engineering, sold for \$5.5 million (\$9,740,500) on Thursday, reportedly the highest price ever paid for a car.

The Type 41 Bugatti, one of only six in existence, was sold by Christie's auction house to a London dealer in vintage cars, Nicholas Harley. The seller was not identified.

Robert Brooks, head of Christie's vintage car department, said it was the highest price ever paid for a car, either privately or at auction.



Testing the 1987 Renault 5 in Tokyo Thursday. In Europe, testers liken it to strawberries, raspberries, "even bananas." Traveler's Choice. Page 7.

Heart attacks are a major risk for female smokers, a new study shows. Page 3.

Africa is worried about its image concerning AIDS. Page 5.

Down close: DOWN 43.77 The dollar in New York: DM £ Yes FF 1.681 1.775 135.35 5.7035

Panamanian Made Offer Of Sabotage

By Stephen Engelberg
New York Times Service
WASHINGTON — The Panamanian military leader offered to undertake sabotage and possibly assassinations in Nicaragua for the Reagan administration, government officials say, explaining a veiled allusion to the matter in the congressional report on the Iran-contra affair.

The officials said Wednesday that Lieutenant Colonel Oliver L. North, who was then a White House aide, had accepted the sabotage offer on the instructions of Rear Admiral John M. Poindexter, then the president's national security adviser. But they said the plan put forward by the Panamanian, General Manuel Antonio Noriega, never got off the ground.

They said computer messages reviewed by the congressional committee, but not disclosed in the report, suggested that General Noriega was also offering to undertake assassinations but that Admiral Poindexter told Colonel North not to become involved. American government officials are prohibited by executive order from conducting or taking part in assassinations.

An immediate response was available from General Noriega to the disclosures, which occurred at a crucial moment in Panamanian politics and in U.S.-Panama relations. Legislation is pending in Congress that would cut off all aid to the country because of human rights abuses and other wrongdoing said to involve General Noriega.

After five months of street demonstrations and general strikes in Panama, General Noriega's military regime and its civilian political opposition appear to be hardening their positions and preparing for what both sides expect to be a long and bitter struggle.

In recent years, General Noriega has come under investigation by two U.S. grand juries for his reported role in drug trafficking and money laundering. Intelligence of

Moscow to Let U.S. Inspect Missile Plant

By R. Jeffrey Smith and Don Oberdorfer
Washington Post Service
WASHINGTON — The Soviet Union has agreed to allow American on-site inspection of the Soviet plant where SS-25 strategic missiles are made, according to U.S. officials.

The concession is an important step toward final agreement on the nuclear-weapons treaty to be signed here next month by President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev.

The progress on the SS-25 issue was one of several advances achieved during talks in Geneva on Monday and Tuesday. The talks were led by the chief U.S. arms negotiator, Max M. Kampelman, and his Soviet counterpart, Yuli M. Vorontsov, the officials said.

The proposed inspection, called

perimeter portal monitoring, is the most intrusive ever considered by U.S.-Soviet negotiators. It would involve stationing U.S. personnel and devices at a gate, or portal, through which newly manufactured Soviet missiles must pass.

The perimeter of the plant would also be monitored continuously. Other important strides, the sources said, included:

• Tentative agreement on language that would prevent either country from circumventing the proposed Intermediate Nuclear Forces, or INF, treaty, which bans medium-range and shorter-range nuclear missiles.

Moscow had insisted on broad language that U.S. negotiators argued, might impede existing U.S. agreements to provide nuclear weapons to allies. U.S. negotiators also feared that the Soviet approach would constrain deployment

of new U.S. nuclear weapons not covered by the treaty. The United States, in contrast, favored language that would protect its alliance agreements and its options.

Soviet withdrawal of a demand that the INF treaty call for immediate follow-up talks, which could be aimed at reducing battlefield nuclear weapons and possibly nuclear-armed aircraft in Europe. Washington has opposed such immediate talks on the ground that they would result in a drive toward "denuclearization" of Western Europe.

The SS-25 issue arose because the missile's first stage resembles the SS-20 rocket, which is to be banned under the INF accord. U.S. negotiators argued that monitoring the SS-25 plant was necessary to verify that SS-20s were not being manufactured there in violation of the agreement.

Many U.S. officials said they did

not expect a Soviet attempt to evade the treaty by making SS-20s in the SS-25 plant, since the long-range SS-25 is a more powerful and effective weapon. But the officials were eager to neutralize criticism from conservatives in Congress that the SS-25 facility represented a treaty "loophole" and thus was a reason to oppose Senate ratification of the pact.

Moscow has insisted that in return for such extraordinary scrutiny of the SS-25, which itself is not covered by the treaty, the United States must permit Soviet monitoring of a facility of "comparable value" in the United States.

Sources said the two sides had not agreed on which U.S. facility to monitor. But the sources expressed confidence that this part of the arrangement would be settled soon.

The State Department spokesman, Charles E. Redman, speaking several hours before Mr. Kampelman returned to Washington from the Geneva discussions on Wednesday, said the negotiators "did resolve a number of outstanding issues, but there are some that remain."

Other officials indicated that the two sides had not agreed, for example, on quick access to sites in Europe where treaty violations are suspected.

■ Geneva Meeting Set
Secretary of State George P. Shultz will meet the Soviet foreign minister, Eduard A. Shevardnadze, in Geneva next week to complete planning for the summit meeting in December, U.S. officials said Thursday, according to a Reuters dispatch from Washington.

The two ministers, who have met three times in the past two months, are expected to discuss strategic weapons, human rights, regional issues and details of the INF treaty.

■ Indiscriminate Cuts
Clyde H. Farnsworth of The New York Times reported earlier: If the negotiators fail to meet the Friday deadline, the automatic spending cuts scheduled to take effect will indiscriminately affect almost everything from AIDS research and the anti-missile program to the number of weather forecasters.

The automatically imposed \$23 billion saving under the deficit-reduction law.



Y.K. Nazarkin, right, the Soviet negotiator in talks on chemical arms, with Max Friedersdorf, his U.S. counterpart, before a visit to a chemical arms depot in Utah. Soviet aides are observing the dismantling of some weapons.

To Our Readers

IHT Opens Tokyo Plant

WITH today's issue, the International Herald Tribune begins printing in Tokyo, for same-day delivery to readers in Japan.

Transmitted by satellite facsimile from its Paris headquarters, the IHT is now distributed in Japan through the Mainichi Shimbun newspaper for morning delivery in central Tokyo and afternoon delivery in other areas, including Osaka and Kobe.

Tokyo is the 10th printing site for the IHT and its third in Asia. Long in the planning, Tokyo printing was made possible by the creation of Triprinting Japan and Mainichi Inc., a joint venture of the International Herald Tribune and the Mainichi newspapers.

The inauguration of this Tokyo operation is a culminating event in the newspaper's centennial year. Founded in Paris in October 1887 as the European edition of The New York Herald, the International Herald Tribune today has a readership of 400,000 people in 164 countries.

The paper is jointly owned by the New York Times Co., the Washington Post Co. and the Whitney Communications Co.

Sadat in Israel: 10 Years and Long Ago

By Glenn Frankel
Washington Post Service
JERUSALEM — The flight from the Abu Suwayr airfield to Ben-Gurion airport took less than 40 minutes. Anwar Sadat would recall in his autobiography, and yet the gap his presidential jet crossed that chilly November night was four wars wide and filled with suspicion, bitterness and hatred.

In one bold existential stroke, the Egyptian leader vaulted the abyss and changed forever the political, diplomatic and psychological landscape of the Middle East. Within 16 months of his journey to Jerusalem, Sadat and Prime Minister Menachem Begin of Israel, concluded a treaty that officially ended a 31-year state of war and gave the Jewish state the security that peace and diplomatic recognition from its largest neighbor and former enemy could bestow.

"It was the turning point," said Abba Eban, a former Israeli foreign minister. After three decades of total isolation from its Arab neighbors, Mr. Eban said, "Israel suddenly underwent a total transformation. At last the windows were opened and the air came rushing in."

Thursday was the 10th anniversary of the Sadat visit, one of those rare moments in history when time stood still. Yet, it was

marked largely with ambivalence and a sense of disappointment in both capitals.

Egypt, overpopulated, underdeveloped and broke, has other things on its mind. There was no celebration in Cairo, many of whose people quickly soured on Sadat and his dream and greeted his assassination in 1981 with indifference.

Following the Arab League meeting last week in Amman, Jordan, nine Arab states have restored the diplomatic relations with Egypt that they severed when the 1979 peace treaty was signed; Egyptian officials appear in no mood to jeopardize these gains by calling attention to their ties with Israel.

The mood in Jerusalem is more nostalgic but also bitter-sweet. Like Mr. Eban, many Israelis look upon the Sadat visit as a magic moment, yet wonder how it happened that all the good will and hopes it embodied seem to have dissipated.

In a series of peace symposiums and other events marking the anniversary this week, there has been a measure of despair, an unspoken but lingering fear that the elusive peace process, which seemed alive and well when Sadat electrified Israel, is not just dormant but dead.

Two stark facts about the peace between Israel and Egypt loom above all others, analysts say: that despite tensions and times of doubt — Sadat's death and the Israeli inva-

sion of Lebanon were two such moments — it has held for nearly a decade, and that it remains a separate peace, one that no other Arab state has been willing or able to join.

"The Egyptians always believed that by reaching peace with us they would establish a bridge for a comprehensive peace with the other Arab countries," says Avraham Tamir, director-general of the Israeli Foreign Ministry, who, as an army general, headed the Israeli military delegation to the Camp David talks.

"The peace is solid," he said, "but I ask myself what kind of future we might face if we remain in the status quo. We have to admit, the situation has got the potential for deterioration."

Doves like Mr. Tamir contend the time is ripe for movement. The main Arab states say they are no longer looking to drive the Israelis into the sea. The Gulf War has put the Arab-Israeli dispute into its proper perspective as a secondary conflict that needs to be put aside and resolved.

Arab moderates such as Hosni Mubarak, who was Sadat's successor, and King Hussein of Jordan are said to be in a strong position to push into line such recalcitrant actors as the leader of the Palestine Liberation Organization, Yasser Arafat.

But the doves complain that Israel's divid-

ence, as mainstays of support for various anti-government parties, to judge the fractious opposition toward greater unity.

Few people contend that the opposition forces will be able to ignore their differences long enough to form a coalition capable of toppling the perennially governing Liberal Democratic Party. But they think they may be able to establish sufficient cohesiveness to pry concessions from the ruling camp.

Some labor officials say that outright support of Liberal Democrats is not out of the question anymore, a concession that reflects belated acceptance of reality. Even though many leaders of the unions are hostile to the ruling party, a growing number of their members are not.

The new organization is called the Japanese Private Sector Trade Union Confederation, known in Japanese shorthand as Rengo. As the name suggests, it is dominated by workers from private industry, but public employees are expected to join en masse in three years.

Rengo will begin with 5.6 million members, most of them from two major federations of private-sector employees — Domei, which disbanded Thursday, and Churitsu Roren, which dissolved last month. In addition, the new group has attracted 1.8 million private-industry workers who belong to a labor organization that is now the biggest.

See UNIONS, Page 2

Budget Talks Hit Resistance

Reagan Exhorts Negotiators to Reach an Accord

Compiled by Our Staff From Dispatches
WASHINGTON — White House and congressional negotiators struggled Thursday to agree on a broad plan to cut the U.S. budget deficit but ran into opposition from a group of Senate Republicans, dimming prospects for meeting a Friday deadline.

President Ronald Reagan, meanwhile, urged the bargainers to reach an accord and to send "the right signal at the right time" to financial markets.

Senator Bob Packwood, Republican of Oregon, said that about 25 Republican senators opposed increased taxes and other elements of the emerging accord, which is designed to cut \$30 billion from the 1988 deficit.

He added that Congress still

could have time to develop a plan even after the Friday midnight deadline, when \$23 billion of automatic spending cuts will kick in under the Gramm-Rudman deficit reduction law.

Under the law, Mr. Reagan is required by midnight Friday to sign an order making \$23 billion in spending cuts, half from military programs and half from domestic agencies, unless an alternative is enacted first.

Mr. Packwood noted, however, that the law gives Congress 10 working days after that deadline to direct the president to modify the spending cut order.

Mr. Reagan, speaking to the U.S. Chamber of Commerce a month after the stock market plunge, said, "Nervousness about the high level of federal deficit spending contributes to the skittishness on Wall Street."

But he also said the stock market plunge "was expected as part of a long-awaited adjustment."

The negotiators, who were holding their 19th session Thursday, were hoping to agree on a proposal that would save about \$30 billion in fiscal 1988, which began Oct. 1, and at least \$45 billion more the following year. About \$9 billion in new taxes this year, and more next year, would be included.

Even if the negotiators reach an agreement, the House or Senate might reject it. Liberals have complained that more military cuts are needed, while conservatives want more reductions in domestic programs and lower taxes. (AP, UPI, Reuters)

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■ Indiscriminate Cuts
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See BUDGET, Page 2

Japan's Labor Movement To Set Up 'Super Union'

By Clyde Haberman
New York Times Service
TOKYO — Japan's labor movement, beleaguered by shrinking membership and dwindling influence, is about to take a bold, last-gasp step to end years of steady decline.

On Friday, major labor groups will coalesce into a new "super union," a giant federation that organizers hope will command political and economic authority similar to that wielded by the AFL-CIO in the United States.

To Akira Yamagishi, one of the country's most important union officials, Japanese labor has reached a crossroad. "There is no question that we're not strong at the moment," said Mr. Yamagishi, who heads a 280,000-member union representing telecommunications workers. "If we do not unify, our economic and political influence will continue to decline."

The new federation intends to follow a more moderate political path than the leftward bent of many existing labor groups, especially those representing public employees.

It will talk more than before about quality-of-life issues like welfare benefits, length of the workweek and even high land prices. Until now, union leaders have tended to focus on wage increases, although not with conspicuous success in recent years.

In terms of practical politics, these leaders hope to use their in-

PEOPLE
ist Szeryng to Play
Missing Concerto
Szeryng, a Polish pianist from Mexico, who discovered the lost score of Beethoven's Violin Concerto in a Vienna library, is preparing a first performance in New York in Atlanta Thursday. Szeryng said he found the score but saved its debut for the Symphony Orchestra, which he performed with in 1947. Szeryng's friend Marcel Prosen, who was chief music editor of the Paris newspaper Le Figaro, then vanished again by the sea. Szeryng changed upon a final score, written in collaboration with his French collaborator, Jean Hahn, who was born in the week's Moscow News. Szeryng's new month's edition of the Soviet magazine Novy Mir, who won the Nobel Prize in Literature in October, has been in the United States since last year. Szeryng is 13 years old. The piece is chosen with Brodsky's work.

Michael Grade, 44, television director for the BBC Broadcasting Corp., said he was resigning to become a partner of the old Independent Television Channel 4.

The Chrysler Chairman (left) has signed a contract to buy another book by a spokesman. In 1982 he signed a contract for an autobiography, said a spokesman in the United States. The book, which will be the author's autobiography, is said to be a work of fiction. The author, who will be the author's autobiography, is said to be a work of fiction. The author, who will be the author's autobiography, is said to be a work of fiction.

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SATURDAYS

NATIONAL CLASSIFIEDS
in the Herald Tribune
the way's most important news
the way's most important news

After Impasse in Tokyo, U.S. Commerce Chief May Call for Sanctions

Compiled by Our Staff From Dispatches
TOKYO — The U.S. secretary of commerce, C. William Verity, will return to Washington dissatisfied and may press for retaliation after trade talks on Thursday with Prime Minister Noboru Takeshita and leading Japanese cabinet members, a spokeswoman said.

Friction was said to have surfaced in a meeting with Foreign Minister Sosuke Uno, who said that Japan would not open its public construction projects equally to U.S. companies, a stance that Mr. Verity has termed "unacceptable."

Mr. Verity told Mr. Takeshita that some Japanese trading practices were wrecking industries abroad, and he urged Tokyo to assume greater responsibility for world leadership, according to his spokeswoman, Desiree Tucker.

She said Mr. Verity had told the prime minister that Japan must refrain from a "tendency to organize researchers to go after a key market by using government, industry and the banking system together to create an absolute domination of a foreign domestic market."

She said Mr. Verity had stressed that Japan should assume more responsibility and work with the United States "toward mutual leadership in the world."

Mr. Takeshita did not respond to any specific trade issues but said, "Free trade brings Japan great profit; therefore, we would like to maintain a free trade system with the United States," the Foreign Ministry said.

He promised to continue the Japanese focus on increasing domestic demand to help reduce its dependence on export markets and high trade surplus.

In meetings with Japanese government and business leaders, Mr. Verity also expressed "concern that Japanese people and the government in particular have lost credibility," Ms. Tucker said.

"The perception now is that the Japanese government says it will open up a particular market segment and then delays and delays without taking action," she quoted Mr. Verity as saying.

Mr. Verity visited Japan at a time of renewed tension in U.S.-Japan trade relations following the U.S. Commerce Department's ruling that Japanese companies are selling color television sets in the United States below fair market value.

Last year, the U.S. deficit in trade with Japan reached a record \$58.6 billion, according to U.S. figures. Mr. Verity has called Japan's trade surplus with the United States "unsustainable."

On Tuesday, he said in Washington that Japan risked imposition of retaliatory duties for failing to price its products in line with the yen's rise against the dollar.

Ms. Tucker described Wednesday's meetings as "positive and constructive."

But Yoshitomi Matsuda, the Foreign Ministry's senior spokesman, said the talks were "constructive."

man, said after Mr. Verity's meeting with Mr. Uno that "We tried to submit our thoughts and policies." He added, speaking of the United States, "They are not persuaded; they are not satisfied. Certainly they don't give up."

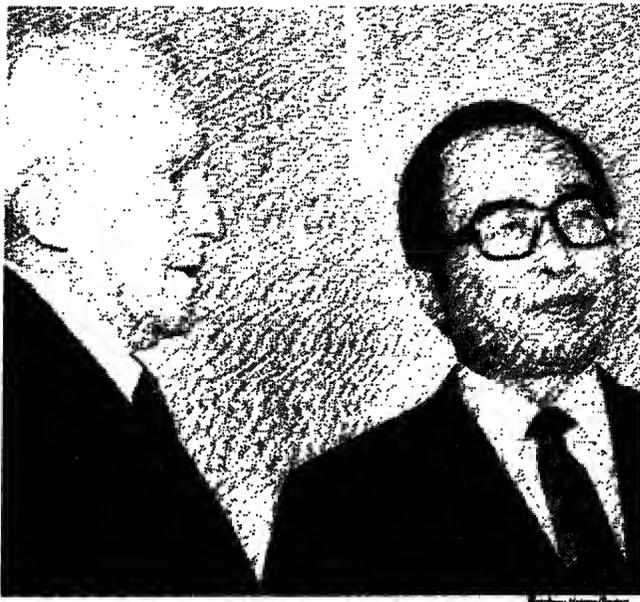
One sticking point, Mr. Matsuda said, was the U.S. demand that U.S. firms be accorded equal footing in bidding on contracts for Japanese public works projects.

According to Mr. Matsuda, Mr. Uno replied that "we cannot treat these public works in the same manner as we offered for the private businesses."

The construction business involves "not only mechanical construction," Mr. Matsuda added, but also "some labor problems, particularly immigration or desirability or related matters of foreign laborers, or many other social implications."

Mr. Verity was not happy with the Japanese refusal to budge on the issue and will discuss retaliatory steps when he returns to Washington, Ms. Tucker said.

(UPI, AP)



The U.S. commerce secretary, C. William Verity, and Foreign Minister Sosuke Uno at a meeting Thursday in Japan that yielded no concession on a major U.S. trade demand.

Iraqi Planes Again Bomb Atom Plant, Iran Reports

NICOSIA — Iraqi warplanes bombed an unfinished nuclear power plant on the Iranian Gulf coast Thursday for the third time in three days, Tehran radio said in a report monitored in Cyprus.

The radio reported additional damage to the Bushehr plant but said there were no casualties.

Iran has held Iraq responsible for the international Atomic Energy Agency, based in Vienna, said Wednesday that the nature and quantity of nuclear material at the plant posed no significant hazard.

Tehran radio said Iranian aircraft flew three sorties Thursday morning against the Aqrab garrison in northern Iraq and troop concentrations at Sharahani on the south-central front.

A military spokesman in Baghdad said Iraqi gunners brought down two Iranian F-5 fighter planes Thursday morning. One was shot down over Aqrab, he said, and the other was seen falling in flames on the south-central front.

The Tehran report did not refer to the safe return of the attacking Iranian warplanes. A Tehran war spokesman rejected as a "pure lie" a report that Iranian jets bombed a hospital in northern Iraq.

Baghdad had said 9 people were killed and 64 were wounded in an Iranian raid on a hospital in Dohuk on Wednesday.

Construction of Iran's nuclear plant at Bushehr was started in the mid 1970s by Kraftwerk Union AG, a West German company, but was abandoned after the 1979 Islamic revolution.

Iran said 10 people, including an Iranian nuclear expert and a West German engineer, were killed in two Iraqi air raids at the Bushehr site on Tuesday.

In Baghdad, a military spokesman said Iraqi Air Force planes attacked two shipping targets in the Gulf on Thursday, scoring accurate hits on both vessels.

One of the ships hit was described as a "very large" target, by which Baghdad usually means a supertanker. Shipping sources could not immediately confirm the attacks.

Iran has reported strikes on 16 ships in the past nine days, but shipping sources have failed to confirm most of them.

In Dubai, shipping officials said a British minesweeper detonated a mine in the central Gulf on Thursday. They said the ship exploded near the Strait of Hormuz, 90 miles east of Bahrain.

WORLD BRIEFS

Italy Deputies Vote Against Gulf Fleet

ROME (Reuters) — The parliament, in a chaotic session on Thursday, rejected a cabinet decree issued to finance Italy's naval task force in the Gulf. The vote was an embarrassing defeat for the resurrected government of Prime Minister Giovanni Goria.

Ruling party politicians said the defeat meant the cabinet would have to issue a new decree, probably on Friday, to finance the eight-ship force. They insisted that the mission was not in danger of being called off.

Deputies voted 182-145, by secret ballot, against the existing decree, which provided 51 billion lire (\$41 million) for the flotilla. Government deputies later said disarray in the ranks of the ruling five-party coalition, and suspected defections were to blame for the defeat. At the time, about 250 deputies were absent from the 630-seat chamber.

Gandhi Party Leads in Nagaland Vote

KOHIMA, India (UPI) — Prime Minister Rajiv Gandhi's Congress (I) Party was leading Thursday in the first returns from state assembly elections in Nagaland.

The Congress Party won 15 of the 60 assembly seats contested in Wednesday's election before vote-counting was suspended. The main opposition group, the Nagaland Democratic Party, won 3; independent deputies took 3, and the Nagaland People's Party had 1. The counting of returns was to resume Friday morning.

The Congress Party and the Nagaland Democratic Party won 24 seats each in 1982 voting. But Mr. Gandhi's party engineered the defections of 11 independents to secure control of the state for the first time since the creation of Nagaland in 1961.

Chinese MiG Pilot Defects to Taiwan

TAIPEI (AP) — A Chinese Air Force pilot defected Thursday to Taiwan in a MiG-19 jet fighter, the Taiwan Defense Ministry reported. Military sources said he is expected to be given about \$2 million in gold as a reward.

A ministry statement said that the pilot, Liu Chih Yuan, landed his fighter at an air force base in Taichung, about 120 miles (200 kilometers) south of Taipei. The ministry said the pilot came from Hsin in the northeastern Chinese province of Shandong. It did not disclose his rank or provide other details.

Mr. Liu was the 13th Chinese pilot to defect to Taiwan since 1960, according to the Defense Ministry. Taiwan rewards Chinese military defectors in gold in amounts depending on the type of weapons, aircraft or ship they bring.

3d Day of Rioting Reported in Nigeria

LAGOS (AP) — Policemen fired tear gas on crowds of youths who were throwing stones here Thursday, the third day of riots in which at least two people have died.

Policemen with machine guns and riot gear manned posts behind overturned burned-out vehicles. They waved traffic away from certain streets as bands of roving youths renewed attacks on riot policemen patrolling the neighborhood.

The disturbances began Tuesday following the fatal shooting of two pedestrians by a policeman. The shooting sparked rioting and looting that quickly spread to five adjoining neighborhoods.

Protestant Politician Shot in Belfast

BELFAST (AP) — A leading Protestant politician was shot in the head as he got out of a Belfast pub Thursday, the police said.

George Seawright, an elected Belfast city councillor who once declared publicly that all Catholics should be burned in an incinerator, was hospitalized in critical condition with two bullet wounds in the head, the authorities said.

The Royal Ulster Constabulary said Mr. Seawright was shot by "terrorists." The attack was later claimed by a leftist group known as the Irish People's Liberation Organization. Mr. Seawright was the second Belfast councillor to be shot this year.

TRAVEL UPDATE

Finns Ending Tourist Reindeer Hunts

HELSINKI (Reuters) — The Finnish government said Thursday that it was drafting laws to stop the hunting of Lapland reindeer as a tourist spectacle. Firkko Skutnabb, a senior official in the Agriculture Ministry, said the new regulations would outlaw the hunting of reindeer for sport.

Finnish tourism officials, eager to promote Finland as the home of Santa Claus and his reindeer, have condemned the show hunts. Reindeer roam over vast expanses of Lapland. The hides and the meat, a delicacy, are sold in Finland and abroad.

PANAMA: Noriega Sabotage Bid

(Continued from Page 1)
 Officials have also said he often provides information to the Cubans, who are the Sandinistas' closest allies in the region. It was not clear how Colonel Noriega expected to keep his sabotage plan secret from the Cubans.

It could not be learned whether Colonel Noriega communicated with General Noriega directly or whether an intermediary was used. Panama was previously enlisted in covert operations to support the Contras that involved the CIA.

The congressional report, issued Wednesday, provides the fullest account yet of the activities kept secret from Congress. It says that White House officials were planning a host of additional operations when their secret network was exposed last year.

Although it does not describe in detail the other covert operations planned by "the Enterprise," the private companies run by Richard V. Secord, a retired Air Force major general, and Albert Hakim, an Iranian-born middleman, the report said they included gathering intelligence on terrorists, freeing hostages and undermining Soviet propaganda efforts.

The report also details completed operations, including Colonel Noriega's use of a Danish ship to ferry arms around the world and his payments to Drug Enforcement Administration agents hoping to free American hostages in Lebanon.

In discussing the activities attributed by officials to Panama, the report said only that "a third party" offered to carry out the operations. It did not indicate that a foreign government was involved.

After a fire two years ago in another central Tube station, the London Passengers Transport Group urged that the municipal authority operating the Underground install smoke detectors, alarm systems and other devices.

The Passengers Transport Group and other citizens' organizations also warned that wooden escalators in use at several major Tube stations posed a serious fire hazard and should be replaced by metal systems.

Both the fire two years ago at the Holborn Tube station and the fire on Wednesday were believed to have begun on or near wooden escalators. London Regional Transport, the municipal authority operating the Tube, has replaced Holborn's wooden escalators with metal systems but has not taken action elsewhere.

Memo Assails Israel on Jewish Terrorists

By Mary Thornton and Howard Kurtz
 Washington Post Service
WASHINGTON — The Israeli government has failed to cooperate with a U.S. investigation of Jewish Defense League members and associates suspected in bombings and terrorist incidents in the United States, according to a Federal Bureau of Investigation memo.

The memo, sent earlier this year by an assistant FBI director, Floyd I. Clarke, to an executive assistant director, Oliver B. Revell, said several main suspects in the investigation had fled to Israel, where they have sought asylum in Kiryat Arba, a Jewish settlement in the Israeli-

occupied West Bank. It describes Kiryat Arba as a "haven for right-wing Jewish extremist elements."

The memo was disclosed in The Village Voice, a weekly newspaper in New York.

"Numerous leads have been forwarded through FBI to the Israeli Secret Intelligence Service in Washington, D.C. Response to these leads is crucial for the solution of the 25 terrorist incidents and other criminal activity perpetrated by the JDL," the memo said.

It said the FBI had requested "telephone subscriber information, criminal background information, arrest records, prison contacts, associates, residence status and travel documents."

"The Terrorism Section has had numerous meetings," the memo continued, with Israeli representatives in Washington, "during which our concerns relative to their handling of our requests were raised. Although these discussions have sometimes resulted in a temporary flurry of activity on their part, no sustained improvement in the flow of information has been realized."

Yossi Gal, a spokesman for the Israeli Embassy, said he had no immediate comment.

The FBI refused to comment on the memo, saying that bureau relationships with foreign intelligence services "must be maintained in a confidential manner."

Federal sources said the FBI have been hampered in the Jewish Defense League case because many suspects have U.S.-Israeli citizenship, allowing them to travel at will between the two countries, sometimes using their Hebrew names.

Gregory O'Connell, an assistant U.S. attorney in Brooklyn working on the investigation, said that "targets of our investigation have traveled to and from Israel." He declined to say whether investigators believed they were still in Israel.

Mr. O'Connell said his office and a Justice Department terrorism task force were conducting "an active investigation" of whether defused league members were involved in an explosion in Santa Ana, California, that killed Alexander Osh, a regional director of the Arab American Anti-Discrimination Committee, in 1985. He said two other 1985 bombings also are being investigated, as well as earlier suspected terrorist bombings.

Federal sources said that many of the suspects had been tied to Rabbi Meir Kahane, who founded the Jewish Defense League in 1968 in Brooklyn.

The suspects are believed to be involved not only with the Jewish Defense League, as current or former members, but also with Rabbi Kahane's violently anti-Arab Kach Party.

UN Mutes Criticism of Israel's Pretoria Ties

New York Times Service
UNITED NATIONS, New York — A resolution criticizing Israel's links with South Africa has been presented in a form sharply toned down from versions approved in previous years.

At the same time, an official United Nations report issued Wednesday accuses Saudi Arabia and the United Arab Emirates for the first time of selling oil to South Africa. The report supports asser-

ptions made by Israel last year in opposing the resolution condemning its own links with Pretoria.

The new resolution, to be voted on Friday, was presented Monday by a group that includes such consistent critics of Israel as Algeria, the Soviet Union, Libya and East Germany.

In simple, polemical language, the resolution notes the restrictions Israel recently intro-

duced on trade and investment with South Africa and calls on Israel to sever all cooperation with Pretoria on military, intelligence, oil, and economic matters.

Israeli officials said they would still seek to rally allies against the resolution because they opposed the whole idea of the United Nations debating Israel's relations with South Africa but not those of any other member nation.

inose Arab critics who had warned that by making a separate peace, Egypt was freeing Israel to wage war on other fronts with impunity.

For their part, the Israelis were deeply angered when Mr. Mubarak, reacting to the massacre of Palestinian refugees in Beirut by Christian militiamen allied with Israel, withdrew the Egyptian ambassador to Tel Aviv. He was only returned in September 1986. Mr. Mubarak's seemingly indifferent reaction to the slaying of seven Israeli tourists by a crazed Egyptian policeman on the beach at Ras Burka in the Sinai in October 1985 also appalled many Israelis.

But most of all, they have been disappointed by what they see as Egypt's refusal to honor the treaty provisions calling for full economic and cultural relations and the free movement of goods and people.

For the Israelis, the road to Cairo still goes only one way. About 35,000 Israeli tourists visited Egypt last year, according to Israeli figures, but only 500 Egyptians came to Israel.

SADAT: Egypt and Israel Now Are Ambivalent on the Trip to Jerusalem

(Continued from Page 1)
 ed coalition government is too weak to move and is squandering an opportunity that may not come again. Its refusal to endorse the idea of an international peace conference, which Hussein, Mr. Mubarak and Ronald Reagan all support, symbolizes its paralysis, they contend. They also chide the Reagan administration for Washington's inaction, a marked contrast to the muscular, aggressive optimism of the Carter years.

"There is a peace orbiting around the Middle East waiting for a leader to steer it the right way," says Ezer Weizman, then Mr. Begin's hawkish defense minister and now a spokesman for the dovish left. "We need a leader to grab the situation and move forward."

Others contend it is conditions, not leaders, that are the intractable core of the problem. Sadat came to Jerusalem knowing that the basic formula he espoused — a peace accord in return for all the Egyptian lands Israel had captured in 1967 — was acceptable to Mr. Begin and the vast majority of Isra-

lis. The Sinai Peninsula was a strategic asset to Israel but not an integral part of its territory or heritage. It could be returned for the right price — a genuine peace.

But the remaining Gaza Strip and East Jerusalem — are another matter. Virtually all Israelis believe Jerusalem should remain under their sovereignty. Polls indicate that 60 percent or more feel the same way about the West Bank. Few would risk returning to Israel's precarious 1967 borders.

Although Israel now recalls Sadat's visit as the bold stroke it was long for, Mr. Weizman recalled that, at the time, Israelis did not trust the Egyptian leader and were wary of his motives.

Even after Israel realized Sadat was not fooling, it took months of negotiations, including Mr. Carter's repeated personal intervention, to forge an agreement. The main sticking point was the fate of the Palestinians, which was left ambiguous in a final accord that called for a self-governing authority to be established in the occupied territo-

ries and a five-year transition period while the "final status" of the area was to be negotiated.

In the end, according to Elisha Ben-Elissar, a senior aide to Mr. Begin and later the first Israeli ambassador to Egypt, each side willfully misconstrued what the other had agreed to. Sadat believed that the transitional period was to lead to a Palestinian state perhaps confederated loosely with Jordan. Mr. Begin insisted that political "autonomy" was the final goal — Israel would govern the land and the Jews living there, while the Palestinians could govern themselves.

Each side has its ledger of betrayals and disappointments. Sadat angrily suspended the autonomy talks in May 1980, citing Israeli intransigence, and the talks have never been resumed. He was furious when Mr. Begin ordered the bombing of an Iraqi nuclear reactor only three days after their 1981 summit meeting.

Mr. Mubarak reacted similarly to the 1982 invasion of Lebanon, which took place just weeks after the return of the Sinai was completed. The invasion seemed to support

FIRE: Criticism Rising

(Continued from Page 1)
 the intensity of the heat. Some victims died only 10 yards (9 meters) from street level, fire officials said.

The officials said that although a winding exit from the hall to street level was near the site where most of the bodies were found, the billowing smoke had probably hindered panicked passengers. Exit signs to the passage way were said to be dimly lit.

Firefighters combating the King's Cross blaze complained on Wednesday that they did not have detailed maps outlining the layout of the Underground system at the huge complex, the hub of five independent Underground rail lines.

The fire was the third in the Underground system in two years, the previous fires having caused property damage but no injuries.

The intensity of the fire on Wednesday was so great that it melted metal ticket machines.

Early indicators were that the fire had started just before 8 P.M. by an electrical spark in the machine room underneath a central escalator in the station. The escalator was one of several that linked lower levels of the station to the main ticket floor.

About 32,500 people regularly pass through the King's Cross station in north London in the peak hours from 4 P.M. to 7 P.M.

Fire officials said the number of dead, all victims of burns or asphyxiation, would have been considerably higher had the blaze begun an hour earlier. One firefighter died trying to help people struggling near the heart of the fire two floors below street level.

The incident was the worst fire in the Underground's history, and its death toll was surpassed only by one other Underground accident in London, when 43 people died in a crash in 1975.

After a fire two years ago in another central Tube station, the London Passengers Transport Group urged that the municipal authority operating the Underground install smoke detectors, alarm systems and other devices.

The Passengers Transport Group and other citizens' organizations also warned that wooden escalators in use at several major Tube stations posed a serious fire hazard and should be replaced by metal systems.

Both the fire two years ago at the Holborn Tube station and the fire on Wednesday were believed to have begun on or near wooden escalators. London Regional Transport, the municipal authority operating the Tube, has replaced Holborn's wooden escalators with metal systems but has not taken action elsewhere.

REPORT: Cracks in the President's Protective Wall

(Continued from Page 1)
 lies in the way in which it presents a direct, unequivocal, coherent and unambiguous portrait of the complex activities that came to be known as the Iran-contra affair.

It makes them understandable, and does so in sober and straightforward tones throughout. The judgments it renders are simply, bluntly stated.

"Again, North lied," it says at one point, referring to Lieutenant Colonel Oliver L. North, a National Security Council aide. It calls a cover-up a cover-up. It brands lies as lies, deception as deception.

Its section headings read like pithy guidelines to a tragic episode with overtones of high corruption coupled with high purpose: "The Money Begins to Run Out," "The Decision to Bring the Situation to a Head," "Keeping USG Fingerprints Off the Contra Operation," "1986: 'Authority to Lie'" "Taken to the Cleaners": The Iran Initiative Continues."

Its text is free of bureaucratic jargon, unusual for a document

that is the product of many authors struggling against a tight deadline to achieve a consensus in a highly charged political atmosphere.

For example, here's how it summarizes why the secret Iran arms sales failed disastrously, and the implications of that failure:

"Too many drivers — and over the right ones — steering in too many different directions took the Iran initiative down the road to failure. In the end, there was no improved relationship with Iran, no lessening of its commitment to terrorism and no fewer American hostages."

The Iran initiative succeeded only in replacing three American hostages with another three, arming Iran with 2,004 TOW's, more than 200 vital spare parts for HAWK missile batteries, improperly generating funds for the Contras and other covert activities (although far less than North believed), producing profits for the Hakim-Secord Enterprise that in fact belonged to U.S. taxpayers, leading certain NSC and CIA personnel to deceive representatives of

their own government, undermining U.S. credibility in the eyes of the world, damaging relations between the executive and the Congress, and engulfing the president in one of the worst credibility crises of any administration in U.S. history."

Richard V. Secord, a retired air force major general, and Albert Hakim, his business associate, served as middlemen in the Iran arms sale.

The report will be — and already has become — controversial.

A bitter dissecting minority opinion was filed by the six Republican House members of the select committee and two of the five GOP Senators on the corresponding investigating panel.

They denounced what they called "the more hysterical conclusions" in the majority report and dismissed the serious allegations by saying that mistakes made were merely "mistakes in judgment" and that "there was no constitutional crisis, no systematic disrespect for the rule of law, no grand conspiracy or cover-up."

But despite such strong evidence of the deep political polarization that surrounds this final chapter of the congressional hearings, this report seems almost certain to have a historical afterlife — one that likely will affect the ultimate judgment on the Reagan administration and the secret events that became public knowledge.

BUDGET: New Resistance

(Continued from Page 1)
 ducing law would construct so many favored programs that even if the cuts take effect, many analysts believe, Congress would probably try to restore the money and find other savings, especially as elections approach.

Capitol Hill budget workers say the cuts would have a wide and potentially damaging impact.

Here, for example, is what is in store for the military: the first year-to-year reduction in outlays since 1975 and the largest reduction in Pentagon research and spending since 1945. This will affect such projects as a new attack submarine, the program to modernize intercontinental ballistic missiles and the C-17 transport aircraft.

Similarly, there would be the largest one-year cut since 1945 in the Pentagon's operations and maintenance account, which would affect flying hours for all services, equipment maintenance and naval steaming hours at a time of intensified oavy activity in the Gulf.

But the cuts go well beyond the military. They also affect airline safety, Coast Guard protection, law enforcement, drug prevention, immigration, weather forecasting, tax collection, AIDS research, housing for the elderly, employees at the Internal Revenue Service, foreign aid and hundreds of other budget items.

Lee Byung Chul, 77, Seoul Executive, Dies

The Associated Press
SEOUL — Lee Byung Chul, 77, chairman and founder of Samsung, the largest largest business conglomerate in South Korea, died Thursday of lung cancer.

Mr. Lee started his business in 1938 and rebuilt it after the 1950-53 Korean War into a high-technology manufacturer. It was the first major South Korean trading company.

He expanded from sugar refinery and textiles into electronics, aircraft, semiconductors, shipbuilding, machinery and food processing. The group has 26 subsidiaries and about 75,000 employees.

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White House Declines To Rebut Iran Findings, Calling Report Partisan

The Associated Press
WASHINGTON — The White House, contending Thursday that the Iran-contra report by Congress is a partisan attempt to discredit President Ronald Reagan, refused to offer a rebuttal to its conclusions and criticisms.

Brushing aside questions from reporters, the president's chief spokesman, Martin Fitzwater, said, "I won't go into any of the details of the report."

Asked if Mr. Reagan would address the findings, Mr. Fitzwater said, "I don't think we'll ever discuss these kinds of details, no."

He said Mr. Reagan has the report and "probably will read some of it" but that the president has no plans to comment on it "any time soon."

On Wednesday, after the report was issued, Mr. Reagan kept to a round of ceremonial duties and refused to comment on the 690-page study of his administration's worst foreign policy entanglement.

"The report charged the administration with 'disdain for law' and assigned the 'ultimate responsibility' for the affair to Mr. Reagan."

The affair, Washington's biggest political furor since Watergate, erupted a year ago this month with the disclosure that American arms had been secretly sold to Iran and the proceeds illegally diverted to insurgents fighting the government of Nicaragua.

Mr. Fitzwater said in a statement Wednesday that "the president did not violate any laws."

"Even the majority report does not so state," he said. He defended Mr. Reagan as having "cooperated every step of the way."

"The president made it clear that he accepts responsibility and understands that mistakes were made in the conduct of these policies," Mr. Fitzwater said.

He noted that the Republicans on the House committee that investigated the affair, and two of the five Republican members of the Senate panel, filed a dissent contending that while the administration had made mistakes they amounted to no more than errors of judgment.

Report of Cover-Up
David Hoffman of the *Washington Post* reported earlier.

The congressional report describes Mr. Reagan as being at the forefront of those who misled the nation last fall after the Iran-contra affair began to unravel.

It portrays Mr. Reagan as actively attempting to conceal aspects of the scandal from the American people, and it documents an intense effort within the administration to cover up possibly illegal actions by the president and his subordinates.

In particular, the report says, Mr. Reagan and his aides went to unusual lengths to conceal the president's role in the 1985 shipment of 18 Hawk anti-aircraft missiles to Iran through Israel as part of an effort to win freedom for American hostages in Lebanon.

This shipment was sensitive because it occurred before Mr. Reagan had signed a finding, or legal authorization, for such weapons transfers, according to the report.

Aides to Mr. Reagan fabricated chronologies to disguise the facts of the shipment, and some White House officials withheld details from others, the report said.

Mr. Reagan "told the public that early reports of arms sales for hostages had no foundation," the report states. "He told the public that the United States had not traded arms for hostages. He told the pub-

Fruit of Ortega Trip: He Sees Gains in Taking Case to Congress

By Stephen Kinzer
New York Times Service

MANAGUA — As he returned to Nicaragua this week from a trip to the United States, President Daniel Ortega Saavedra said he believed he was closer than ever to a goal he did not think was possible even a few months ago: a vote in the U.S. Congress to cut off aid to the Nicaraguan rebels.

Mr. Ortega contended that such a vote would end the civil conflict in Nicaragua, thereby opening new sources of foreign aid, which Nicaragua desperately needs to stave off further economic collapse.

There have been recent indications that several countries, including West Germany, Denmark, the Netherlands, Mexico and Venezuela, would consider new aid for Nicaragua if the conflict ended.

For years, the Sandinista government has presumed that, because of President Ronald Reagan's unwavering commitment to the contra, as the rebels are known, there was no way to end U.S. financing for the movement. But the Sandinistas now say they believe they can succeed in going over

the president's head to Congress, an approach they have followed before.

The Central American peace accord signed in August is seen in Managua as opening new possibilities for the Sandinista

NEWS ANALYSIS

Under its provisions, no country in the region would be permitted to assist the contra once the Sandinistas established full political freedom.

Through a series of skillful political maneuvers in Managua and Washington, the Sandinistas may have won at least a temporary edge in the effort to sway Congress. Mr. Ortega has portrayed himself as open and willing to compromise, while the contra and their U.S. backers have not managed a coherent response.

In his four-day stay in Washington, Mr. Ortega concentrated his efforts on Jim Wright, speaker of the House of Representatives, who has emerged as the key figure in Congress on matters relating to Nicaragua.

The Texas Democrat is known to command the respect of many congressional

moderates from his party, so Mr. Ortega is eager to satisfy him that Nicaragua is making genuine efforts toward peace.

It is still uncertain how far the Sandinistas will move toward political liberalization, especially while Honduras continues to harbor contra camps and to allow its air-

fields to be used by U.S. Central Intelligence Agency planes on clandestine contra supply missions. But recent weeks have indicated that pragmatism is now more than ever the dominant Sandinista principle.

When it became clear, for example, that many U.S. members of Congress wanted La Prensa, the opposition newspaper, to be allowed to publish, Mr. Ortega ordered it reopened.

Soon afterward, also under pressure from Congress, he retreated from a cherished principle and agreed to open indirect talks with the contra. Then he named the widely respected Roman Catholic primate of Nicaragua, Cardinal Miguel Obando y Bravo, as mediator.

While in Washington, Mr. Ortega went further, agreeing to accept four Americans as advisers to the talks.

Also in Washington, he issued an 11-point plan that did little more than call on the contra to surrender. But in an interesting move, he carried him

view aboard the plane that carried him home after his visit, he described the plan as "not an ultimatum" and expressed a willingness to review any counterproposal.

"The Sandinistas never put all their cards on the table at the beginning," a diplomat from a British Commonwealth country said Tuesday. "Ortega has never been so close to getting the contra cut off by Congress. Whether he takes any further steps depends on what the various congressmen tell him when they come down here."

On his flight from Washington, Mr. Ortega laid out some elements of the present negotiating position.

He said that the peace talks could not be held in Central America, as advocated by the contra, but rather should be in the United States. He also said the talks would have to be confined to the mechanics of a cease-fire, not touching on political topics as preferred by the contra and the Reagan administration.

He said there would be no more prisoners released in coming weeks, and he rejected the idea that the opposition be allowed to control a Nicaraguan television station.

Still, this has been a period of startling maneuvering for the Sandinistas, and their desire to end the contra war is stronger than ever. If Mr. Ortega is advised that altering his stand on one or more of these issues would change minds in Congress, he will undoubtedly consider the advice very seriously.

Within Nicaragua, some opposition leaders have begun calling for repeal of the Sandinista electoral law, which they say is a root of political discrimination. Under the law, the government names all three members of the board that oversees elections.

"We could be on the brink of something very significant here, but there are some vital steps that still remain to be taken," said Emilio Alvarez Montalvan, a physician and veteran leader of the Conservative Party. "There has to be a right to free election, and for that we need a new electoral law. If the Sandinistas allow that, I will begin to think that this is not a game."

Nagaland Vote

Assembly seats controlled by the Nagaland People's Front Party had 1. The Congress National Democratic Party won control of the state for the first time since 1961.

Effects to Taiwan

Pilot defected Thursday to Taiwan. The Defense Ministry reported that about \$2 million in gifts were given to the Republic of China.

Shot in Belfast

Police shot a man in Belfast. The man was shot in the back of the head by a police officer.

U.S. Viewers See 'Secret' U.K. Project

Alex S. Jones
 A television documentary about the Zircon spy satellite is being shown to American audiences.

Ulster Protestants Still Get the Jobs

Howell Raines
 Belfast — Violence and political conflict seem to run in cycles in Northern Ireland, but job discrimination has remained a constant.

Reindeer Hunt

Government said Thursday it would allow a hunt for reindeer in Lapland. The hunt is part of a conservation program.

Diega Sabotage

The second of three elements of the sabotage of the Diega dam in Venezuela was completed Thursday.

Lee Byung Chul, Seoul Executive, Dies

Lee Byung Chul, former president of South Korea, died Thursday in Seoul. He was 82 years old.



NOT BUDGING — Janis Sulcs, left, and Valdis Rozentals standing in 400-pound concrete blocks at the Soviet Embassy in Washington to protest Soviet rule in Latvia. Each wore a shirt carrying the name of an alleged political prisoner. After firefighters ripped away the cement, the police arrested the two, along with six supporters.

Coronaries Proven Major Risk for Female Smokers

By Warren E. Leary
New York Times Service

WASHINGTON — Women who smoke only one to four cigarettes a day increase their risk of heart attack two to three times, according to a study published Thursday.

The study of nearly 120,000 nurses was the largest ever to look at the effects of smoking on heart disease risks of American women.

It found that there was no safe level of smoking.

The study noted, however, that the total number of heart attacks among young and middle-aged American women is still relatively small.

"These findings, in conjunction with previous studies, leave little doubt that smoking is a dominant cause of coronary heart disease in young and middle-aged women in the United States," said the report, published in the *New England Journal of Medicine*.

Dr. Walter C. Willett of the Harvard School of Public Health, the principal investigator, said the study was the first to measure the magnitude of the effect of cigarette smoking on heart problems in women.

"When you look at fatal and nonfatal heart attacks, smoking can account for 50 percent of all heart attacks among all women in this study and 90 percent among the heavy smokers who used more than 45 cigarettes a day," Dr. Willett said.

"In the past, we thought cigarette smoking had less of an impact on coronary heart disease among women than men," he said.

"These results should put that idea to rest for good."

In an accompanying editorial in the journal, Dr. Jonathan M. Fielding of the University of California at Los Angeles noted that smoking

among women has declined at a considerably slower rate than among men.

Also, more young women are starting to smoke and consuming more cigarettes than in the past, he said.

"The difference in longevity that leads so many women to survive their male counterparts," he continued, "is being abridged by an increase in the number of women who fall victim to their most deleterious habit — smoking."

Men generally have higher rates of heart disease than women at all ages, but the gap between men and women begins to close as people get older.

For Americans 35 to 39 years old, the heart attack rate is 2.3 per 1,000 men and negligible in women. Among those 40 to 44 years old, the rate is 4.3 per 1,000 men and 0.3 percent in women. In the 54 to 59 age group, the rate is 13.1 percent for men and 3.3 percent for women.

The Nurses Health Study, from which the

latest data were drawn, began in 1976 by studying the life styles and health of 119,404 nurses from around the country.

At the start of the study, the women ranged in age from 30 to 55 years and about 30 percent of them smoked, about the same rate as women in the general population.

After six years, 65 of the women had died of heart disease, mostly heart attacks, and 242 had suffered nonfatal heart attacks.

Researchers said there appeared to be no safe level of cigarette smoking.

Among the heaviest smokers, cigarette use accounted for about 58 percent of all heart disease. Among the heaviest smokers, the figure jumped to 91 percent.

Even the lightest smokers, those who consumed one to four cigarettes a day, were 2.4 times more likely than nonsmokers to have heart problems.

"We weren't able to identify a group who smoked and had no risk," Dr. Willett said. Studies in men also show that heart risks generally increase in direct proportion to increased smoking, he said.

The study produced some good news for researchers who stop smoking, the Harvard researchers said.

As has been found in studies of men, those who stopped smoking saw their risk of heart disease drop back to normal a couple of years after quitting.

The effects of smoking were even more dramatic for women who had other conditions that contribute to heart disease, including obesity, high blood pressure, diabetes and high cholesterol levels.

For people with these conditions, smoking increased the already higher risks of heart problems by a factor of two or three, Dr. Willett said.

Last Death Squad Haunts Argentina

By Bradley Graham
Washington Post Service

BUENOS AIRES — Confessions this month by federal police officers arrested for the kidnapping and death of at least three wealthy businessmen have confirmed suspicions that at least one rightist squad formed under military rule has continued to operate in Argentina.

As investigators interrogate the middle-ranking officers held as members of the extortion-and-murder ring, many here speculated that the trail may lead higher up in police ranks or branch into the armed forces.

While few disclosures could bring the government of President Raul Alfonsín, elected four years ago, into fresh conflict with the security services, Argentine officials for now are enjoying widespread congratulations for cracking what had been one of the country's most nagging unsolved crimes.

"This episode has some very positive implications for the consolidation of democracy," a human rights leader, Emilio Mignone, said. "The judiciary and the police working together got results."

Special police and military units were used by the military governments of the 1970s and early 1980s to combat leftist guerrillas.

The Alfonsín government has exposed the disappearance and murder of at least 9,000 people in that period and has obtained convictions against former military junta members for masterminding the illicit campaign. But some extortion, drug trafficking and arms dealing has been attributed to surviving rightist squads.

The first public revelation in the new case occurred Nov. 5, with the unearthing of the remains of Osvaldo Sivak, the head of a banking and real estate company who was kidnapped 28 months ago. Several feet from where that corpse was found — on the grounds of a country club south of Buenos Aires — the authorities discovered several days later the remains of a lumber magnate, Benjamin Neuman, abducted in February 1982.

On Friday, the charred corpse of Eduardo Ormford, the son of a former industry minister, was dug up behind a house once frequented by a prominent army general. He was seized in 1978, when he was 26.

Large ransoms had been paid for all three men, but none of the victims was ever freed.

The disappearance of Sivak, in particular, was a keen embarrassment for Mr. Alfonsín, since it occurred a year and a half after he took office. Moreover, a back-channel investigation undertaken by government officials — employing military intelligence agents to find out what happened to Sivak — erupted last year in scandal and caused the resignations of a minister of defense and a Buenos Aires police chief.

Five federal police officers, several of them either retired or on

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Prime Minister OLOF PALME in Stockholm, Sweden, on Feb. 28, 1986.

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The informant would be granted total anonymity.

RECOMPENSE

Le Gouvernement Suédois a autorisé la Direction Générale de la police Suédoise a verser une récompense de 50 millions de couronnes (SEK) a la personne qui lui fournira des renseignements permettant d'élucider le mystère de l'assassinat du Premier Ministre OLOF PALME a Stockholm, Suède, le 28 février 1986.

La somme promise pourra être versée à l'étranger selon la législation du pays choisi.

L'anonymat le plus total sera garanti à l'informateur.

RECOMPENSA

El Gobierno Sueco ha autorizado a la Dirección Nacional de la Policía Sueca para que pueda efectuar el pago de 50 millones de coronas suecas (SEK) como recompensa a la persona que proporcione la información que permita resolver el asesinato del Primer Ministro OLOF PALME ocurrido en Estocolmo, Suecia el 28 de febrero de 1986.

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Herald INTERNATIONAL Tribune

The Iran-Contra Report

Second Worst Offense

The Iran-contra committees charge Ronald Reagan with the second worst offense of a president. They conclude that he did not fulfill his constitutional oath to take care that the laws be faithfully executed.

On Mr. Reagan's watch, the U.S. sold arms to terrorist Iran for hostages and diverted profits to the Nicaraguan rebels. The committee's report says that high officials created a nongovernmental enterprise designed to circumvent legal controls and, before being exposed, dreamed of creating a permanent covert enterprise for other off-the-books adventures.

The charges, though not criminal, are hardly less humiliating for Mr. Reagan. The evidence that has survived shredding and the testimony of key witnesses forces Congress to accept that he did not know what was being perpetrated in his name.

There were laws forbidding weapons deals with terrorist nations, but Mr. Reagan, proclaiming his anti-terrorism, approved the sales. Laws forbade military help for the Contras but Mr. Reagan, publicly claiming he was obeying the law, unleashed subvertors with a mandate to keep the Contras together "body and soul."

As the committee observes, Mr. Reagan greeted the unraveling of the Iran-contra schemes not with condemnation but with misleading statements. He said that the government had no connection with a downed plane carrying arms to the Contras, that the early reports about arms for hostages had "no foundation," that the United States had not condoned Israeli arms sales to Iran.

Blaming the Foreigners

In lieu of any better ideas for restraining imports, the Reagan administration is now beating on Asian exporters to raise their prices. Just about everybody agrees that U.S. consumption has to be brought down. One way to do it would be to raise taxes.

The new commerce secretary, C. William Verity, sternly warned the Japanese the other day to get their prices up. He wants them to take fatter profits. Otherwise, he darkly suggested, the United States might start hitting against them for charging too little.

Similarly, an assistant secretary of the Treasury, David Mulford, urged four other Asian exporters in a speech this week to raise their exchange rates against the dollar.

Other Comment

The Judgment of History

The report [of the committees investigating the Iran-contra affair] confirms the worst of President Reagan's role. He abused trust and his fundamental policy on terrorism. It was appalling, Republican partisan rationalizing does nothing to diminish the blame.

Despite the effort by some Republican members to upstage, politicize and obfuscate the findings, the majority report is compelling and damning: The Reagan administration showed disdain for the law, created a secret and irresponsible foreign policy, and disregarded the president's oath to see that the laws are faithfully executed.

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Spicy Details in 690 Pages, but Little Meat

By Scott Armstrong

WASHINGTON — The Iran-Contra Affair, the 690-page document released Wednesday, is a cocktail's account of the latest affair of a chronically unfaithful mate. Sadly, the author has learned nothing about its constitutional marriage to another branch of government.

The final report of the majority of the Iran-contra congressional committees has many new spicy details. Having failed to nail down the answer they wanted, the committees have finally gone beyond the question "What did the president know and when did he know it?"

The report's careful exposition of facts makes possible many new conclusions about the affair, including those conclusions that will keep the staff of the independent counsel, Lawrence Walsh, off the public payroll well into the next administration as it rolls from prosecutions of overt acts to perjury counts against last summer's witnesses.

Yet the committees have failed to make these conclusions explicit and to draw from them definitive answers to two basic questions of public concern: How did the Reagan administration manage to implement such secret foreign, military and intelligence policies outside the Constitution while Congress slept? Was the Iran-contra affair an intersection of two otherwise isolated instances or was it merely two strands pulled from a larger cloth of systemic lawbreaking?

On first reading, the report leaves one unsure of either the full dimensions of the scandal or of the nature of the constitutional threat.

America's Global Bazaar Lures Too Many Sellers

By Robert J. Samuelson

WASHINGTON — The rhetoric and reality of the U.S. trade deficit are sharply at odds. Listen to the rhetoric, and the United States is slowly becoming an economic has-been. Slipping technological prowess and a poor work force are making it an oversized Paraguay.

But the dollar's subsequent drop is not quickly reversing the flood of imports precisely because the U.S. market is so big and important. In theory, a depreciating dollar makes U.S. exports more competitive and imports more expensive and less competitive.

Foreign producers have become addicted to the U.S. market. They won't withdraw gracefully. American exports has risen more than 20 percent. That is impressive, especially because economic growth abroad has been slow.

Go to a well-stocked American toy store and you can see what is happening. There are jigsaw puzzles from West Germany and Britain. American companies are also buying and manufacturing products abroad to defend their traditional markets.

Little wonder that everyone so covets the U.S. market. In 1985, consumer spending was three times higher in the United States than in Japan and 25 percent higher than in the European Community.

The U.S. market is also more open. Europe is a jumble of national markets with separate languages and customs. Japan has a cumbersome and closed distribution system. By contrast, the United States offers a national market with one language and an efficient distribution system.

The U.S. market's 60 percent appreciation between 1980 and 1985 was a competitive windfall for foreign exporters. They could either cut prices or fatten profits. They did a bit of both.

At the Venice economic summit meeting in June, Prime Minister Yasuhiro Nakasone pledged to recycle more than \$20 billion in new funds to the developing world over three years. The plan was announced along with an emergency economic package to boost domestic demand and imports and reduce Japan's huge trade surplus.

Stop Smearing the Austrians

DURING the last year or so, Austria, once called the "island of the blessed," has been transformed into the "island of unrepentant Nazis and incorrigible anti-Semites." It was, of course, the Waldheim affair that raised a host of historical, political and moral issues concerning Austria.

It was particularly unfortunate that recently, in radio and television interviews, the outgoing U.S. ambassador, Ronald Lauder, indulged in unjust and unsubstantiated accusations that no Austrian speaks publicly against anti-Semitic statements that Austrians "feel every for anyone who is successful"; that "this is a country that does not give special credit for bravery"; and that "for the last 45 years the truth [about Austria's role in the war and in the Holocaust] was hidden behind a facade of silence."

It is enough to point out that Austrian television has broadcast in prime time 24 documentaries, produced by the liberal journalist Hugo Portisch, on Austria during and after World War II, including the persecution of Jews and anti-Nazis and the involvement of hundreds of thousands in the Nazi movement. The books based on the programs were top best sellers.

Who remembers that 270,000 Soviet Jews and tens of thousands from Eastern Europe passed through Austria despite the threats of Palestinian terrorists, who struck several times on Austrian territory against Austrian citizens? Who knows that there are more than 3,000 Soviet Jews with their own schools and shops in Vienna, which they prefer to Israel?

OPINION

In Moscow, Security Has A Following

By Jim Hoagland

WARSAW — What pushed Mikhail Gorbachev to stage the public humiliation and dismissal of his protégé in perestroika, Boris Yeltsin, from his post as leader of the Communist Party apparatus that runs the city of Moscow?

"We should not hurry past the obvious," a mid-level Polish official said in a short but sharp analysis of the initial accounts of Mr. Yeltsin's demeaning dismissal. "The Moscow party apparatus has a lot to do with public security in the city. If you are sitting in the Kremlin at a time of great change, you do not want to have the smallest doubts about the stability of the party running the apparatus."

Mr. Gorbachev's sacrifice of the man he put in the Moscow job to push perestroika, or restructuring, will be debated by Kremlinologists for months to come. It is a particularly traumatic event for the members of the East European political circles who have allied themselves with Mr. Gorbachev's efforts to revitalize Soviet society.

In talks in Budapest and Warsaw this month, a strikingly cohesive view emerged of a series of tactical retreats forced on Mr. Gorbachev after concern began to mount in the Politburo about public security in Moscow this summer. East Europeans spoke to put less emphasis on the idea of a winner-take-all battle over reform, though there were elements of this.

The view that security was the dominant issue would explain the rapid reversal of fortunes that occurred in Moscow over the past six months. Mr. Gorbachev emerged from the June plenum of the Central Committee triumphant, able to place his allies on the Politburo and in charge of the armed forces.

When a group of Crimean Tatars staged demonstrations in front of the Kremlin in July and did not get their skulls bashed in, it seemed to promise a beginning of some form of pluralism or openness in the Soviet capital. Watching from a hotel balcony on the final evening of the protests, I was struck to see Tatar demonstrators marched out of Red Square shouting slogans under the protection of Soviet traffic policemen. Soviet citizens on the sidewalk were openly amazed and, more to the point, openly angry over this un-Moscowlike spectacle.

In retrospect, the demonstrations marked the high point of Mr. Gorbachev's authority and of the glasnost movement for this year at least. It was not long afterward that Mr. Gorbachev disappeared on his 56-day vacation, and the head of the KGB, Viktor Chebrikov, openly attacked glasnost in a speech in Moscow.

The KGB's attitude toward glasnost had been something of a mystery until that speech. Praise for Mr. Gorbachev from some Soviets who were authorized to have contacts with foreign newsmen and who were thought to have ties to the security agency had suggested there was support for glasnost somewhere in the organization.

But Mr. Yeltsin, who later was given a high-level job as first deputy chairman of the ministry in charge of construction, appears to have been an early and important target of those who were out to discredit reform in ways that carry the mark of a proficient security operation. In a remarkable disclosure, the Paris daily Le Monde last year published the transcript of a tape made at a meeting of Moscow party leaders which Mr. Yeltsin scolded at times like a Robespierre in waiting. Another tape of Mr. Yeltsin addressing a group was turned over this year to The New York Times.

It may have been no accident, then, that when the conservatives took the floor at the Moscow city party meeting last week to denounce Mr. Yeltsin, one of their harshest charges was that he had talked carelessly about party matters around foreigners.

In gratitude, Mr. Yeltsin has achieved a status in Soviet political life that his successes never brought him. His final sales in reform have taken on a tragic quality and he has become a symbol of a future that may never have been in Mr. Gorbachev's mind in the first place. A representative view in Eastern Europe seems to be that once the Washington summit meeting is out of the way, Mikhail Gorbachev will try again on restructuring from what he hopes will be a steeper base in Moscow.

Japan's 'Marshall Plan' Needs Work

By Hideki Tomizawa

TOKYO — After World War II, the United States revived the shattered economies of Western Europe by generously sharing its wealth via the Marshall Plan. Today, it is Japan's turn to help the world economy.

But contributing some of Japan's vast trade surplus to aid the developing countries is easier said than done. Tight-fisted officials balk at the idea of giving something for nothing. At the Venice economic summit meeting in June, Prime Minister Yasuhiro Nakasone pledged to recycle more than \$20 billion in new funds to the developing world over three years.

Mr. Nakasone's announcement, which coincided with the 40th anniversary of the Marshall Plan, included a pledge to set aside \$500 million in grants for the least-developed countries. Fundists in Tokyo hailed this as a Japanese Marshall Plan.

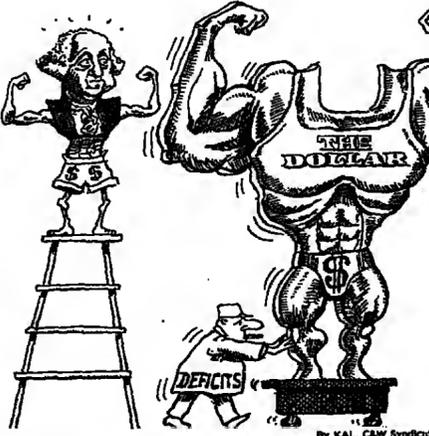
But on closer inspection, Tokyo's aid proposal bears little resemblance to America's postwar recovery plan for Europe. Its strings-attached provisions suggest calculated self-interest, not selfless generosity. The Marshall Plan, announced in 1947 by Secretary of State George Marshall, offered maximum U.S. reconstruction aid to West European nations anxious to rebuild free, independent economies. From 1948 to 1952, relief funds totaling more than \$13 billion (about \$60 billion in 1987 dollars) were channeled to recipient countries. Most of the money was in the form of outright grants.

At Venice, President Reagan lauded the plan's achievements. It created a sense of community among European countries, he said, turning former enemies into staunch allies. Of course, the aura of self-sacrifice that surrounded the program disguised a healthy dose of self-interest. The U.S. economy benefited far more than the plan's architects had anticipated. The scheme also dovetailed with the Truman Doctrine, which provided military aid to America's European allies to combat communism.

But the Marshall Plan was based on enlightened self-interest. The U.S. government willingly placed its powerful economy and large trade surplus at the service of the postwar world. It gave unstintingly in order to receive. This ambitious effort remains a prime example of how to stimulate international demand while contributing to world peace and prosperity.

Economically, Japan is now in a position comparable to that of the United States in 1945. We Japanese must abandon our penny-pinching, merchant mentality and begin to act like the economic power we have become. Instead of waiting for world opinion to prod us, we should develop a genuine overseas assistance program commensurate with our ability to give. Recently, Susumu Nishido, a senior adviser to the ruling Liberal Democratic Party, proposed a Global New Deal to lessen trade tensions and speed Third World development. Eishiro Seito, chairman of Keidanren, the Japan Federation of Economic Organizations, has called for the establishment of a large international fund in this country to assist the developing nations.

Unlike Japan's self-serving Venice proposal, these plans are based on a global vision of Japan's responsibilities and a realistic assessment of world needs. Reaching this goal, however, will require a national consensus that places service to humanity above the bottom line.



By KAL, CAW, SYNDICATE

100, 75 AND 50 YEARS AGO

1887: Worthless Cruiser NEW YORK — A great sensation has been caused in naval circles by the letter of Captain Bruce, regarding the new cruiser Atlanta written to the Navy Department. He states that the vessel is worthless as a cruiser, and altogether unseaworthy. This criticism also applies to the Boston, sister ship to the Atlanta. Captain Bruce says that the projectiles of the enemy would have free access to the vitals of the vessel. He makes suggestions for radical alterations, which will cost \$200,000. A majority of the officers agree with Captain Bruce, and censure the Advisory Board for selecting the designs.

1912: Desperate Men

CHICAGO — Two desperadoes held up a fast passenger train on the Chicago, Milwaukee and St. Paul Railroad in Southern Iowa at midnight [Nov. 18-19], and robbed the passengers between stations, compelling them to keep their hands raised while they escaped. Five men who are suspected have been captured. PARIS — Burglars last night [Nov. 19] entered the villa in which Mme. Emile Zola, widow of the author, lives in the summer, on an island near Trianon. They carried away part of the bearing apparatus, and had unhooked all the doors and windows, piling them up neatly. It is believed they intended to carry them away later.

1937: Stalin's Purge

MOSCOW — The known death toll of Joseph Stalin's purge, since the Kameney-Zinoviev trial of August 1936, has reached 1,151. The celebration of the revolution's 20th anniversary a fortnight ago caused only a temporary lull in the activity of the firing squads. This figure of 1,151 is unofficial, having been reached from lists published by the Soviet press. It probably leaves out some petty spies and "wreckers," whose executions were not announced.

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OPINION

No, They're Simply Afraid That Peace Will Break Out

By Anthony Lewis

BOSTON — The active role of Jim Wright, the speaker of the House of Representatives, in encouraging the peace process in Nicaragua has predictably nettled the Reagan administration. Foreign policy must be left to the president, its spokesmen complain. The commentators write about historic tests of constitutional power.

The administration is not upset by constitutional niceties any more than Abrams was when he lied to Congress to cover up the illegal contra aid.

of government. That is the conflict, in opinion and policy, over whether the United States should try to dictate events in Latin America. The United States has acted again and again toward the region as an imperial power. It has used military force and covert actions to install or protect regimes that it regarded as friendly.

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looked to U.S. freedoms for inspiration. Carlos Fuentes, the Mexican writer and diplomat, summed up the feelings in a comment last summer. "The United States has been the Jekyll and Hyde of Latin America," he said. "We admire the democracy, we deplore the expansionist and manipulative empire."

The Reagan administration has not understood those feelings or the important part they now play in Central American approaches to the peace process. That failure of understanding is one reason for the administration's hapless bungling in the peace negotiations; the bungling that led Speaker Wright to step into the vacuum.

What the Reagan people did not grasp is that the five Central American countries that signed the accord, despite sharp political differences, have an interest in making it work. It is their plan. It was not imposed by the United States. In the same way, the whole region takes pride in the Nobel Peace Prize awarded to the inspirer of the plan, President Oscar Arias Sánchez of Costa Rica. The prize says to those countries that they count, that they are entitled to respect.

They want war. That is the policy. That is why they created the contra army, directed it, supplied it. That is why Mr. Reagan says he will struggle for the contra "as long as there is breath in this body." But their policy has failed. As Mr. Wright said, they are scared to death that peace will break out.



An Amicable Confrontation, And Mainly About Violence

By Colman McCarthy

WASHINGTON — A rare show is currently on the lecture circuit: an Arab and a Jew, both Americans, debating U.S. policy in the Middle East. James Abourezk, chairman of the American-Arab Anti-Discrimination Committee and a former Democratic senator from South Dakota, and Hyman Bookbinder, who was the Washington representative of the American Jewish Committee for nearly 20 years, are mid-

way through a schedule of 16 debates. One took place the other evening at a local Jewish community center.

Mr. Abourezk and Mr. Bookbinder, both quick-minded, occasionally have trouble with each other's affability. Neither knows when it might break out. They are somewhere between intellectual playmates waging war and fraternity brothers tempted to thump each other with bull-session slogans.

Amiable civility also helps send the audience to the book table in the auto-graphing room after the debate. Mr. Abourezk and Mr. Bookbinder have co-authored "Through Different Eyes," which is the written and more substantial form of their stage show.

Mr. Bookbinder supports the "special relationship" between Israel and the United States and advocates that it continue. The annual \$3 billion in U.S. military and economic aid to Israel, he says, "a bargain-basement rate" for having a democratic ally in the Middle East that helps defend American interests.

Mr. Abourezk is not among the buyers. He argues persuasively that "Israel's relationship to the United States emphasizes the worst aspects of our overall foreign policy, in much the same respect as our relationship to Guatemala, the contra, Jonas Savimbi and others."

A Reply From Singapore

Regarding "Even Better Than Singapore-Style Order Is Freedom" (Nov. 16):

Contrary to William Safire's belief, the Asian Wall Street Journal did not refuse "to run a government distributive complaining about some of its neo-synoptic reporting." The government of Singapore had written to set out facts disputing inaccurate reporting in the Journal. The Journal alleged that the letter was defamatory and refused to print it. Yet when the government restricted the circulation of the Journal, and itself published the letter, no defamation suit followed.

As for "leaders of one-party or one-and-a-half-party democracies," Mr. Safire apparently believes that the electorate in a democracy is duty bound to vote in a strong and numerous opposition. The Singapore government was elected by free and secret ballot. Fifty-one opposition candidates contested the elections in 1984. The electorate chose to elect only two of them out of a total of 79 members of Parliament.

LETTERS TO THE EDITOR

It is encouraging to read some acknowledgment of the pretenses of U.S. policy in Central America.

A good deal of what Mr. Lemoine observes about Honduras is also true of El Salvador. Referring to Honduras, Mr. Lemoine writes: "For the most part, power resides with the U.S. Embassy and perhaps 100 army officers, politicians, and business executives."

Along with many other North Americans who have come to know some of the thousands of Salvadoran exiles who lived through the death squad horrors, I pray that the Central American peace accord will succeed, especially for El Salvador.

However, the recent resurfacing of death squads (JHT, Oct. 27), in response to national reconciliation efforts and the consistent lack of U.S. government and Salvadoran military support for negotiations, makes peace and the return of more than one million political exiles and refugees unlikely in the near future.

Michael Kimmelman lists José Carreras as one of the European stars who have canceled their contractual obligations with various U.S. opera companies ("Many European Singers Leave U.S. Operas Flat," Nov. 6).

How About Volcker in '88?

Paul Volcker, former chairman of the Federal Reserve Board, seems at a loss to know what to do with the rest of his life ("After Crash, Eyes Are on Volcker," Nov. 10). How about drafting him to tidy up the mess in the White House?

The report "12 European Nations Approve Space Projects" (Nov. 12) states that "the Ariane-4 rocket has carried dozens" of satellites into space. The first flight of Ariane-4 is scheduled for late next March.

Too Fast on the Countdown

The European space community hopes that the launching career of this newest and largest addition to the Ariane family will be as successful as you inadvertently suggest.

EUROPEAN TOPICS

Anglicans Vote to Back Homosexual Priests

The Church of England's General Synod has overwhelmingly rejected a proposition to ban homosexual priests from the clergy, but has expressed disapproval of casual and promiscuous homosexual acts. Both opponents and supporters of homosexual priests claimed the vote as a victory.

Anne Frank Museum To Display New Find

Several documents belonging to the Jewish dentist who shared the hideout of Anne Frank's family during World War II have been found recently at Amsterdam's main flea market. Little had been known previously about Fritz Pfeffer, a German known as Albert Dussel in Anne Frank's wartime diary, except for her description of their quarrels about sharing the same writing table.

1937: Stalin's Purge

Stalin's purge of the Communist Party in 1937 was a major event in the history of the Soviet Union. It resulted in the execution of thousands of innocent people.



HAMMER TO FALL ON 'EVE' — Workmen carrying "Eve," by Auguste Rodin, which is to be auctioned Friday in Paris. The sculpture is part of a collection of paintings and sculpture owned by Georges Renand, the late owner of a department store in Paris.

Kaletka sold after her death in 1985. Miss Kaletka, a non-Jewish German, had been engaged to Dr. Pfeffer. "My one and only true love," he wrote in his first, and possibly last, letter to her from his hiding place. "It is so hard to write to you when we used to discuss everything each day."

Around Europe

Swedish hospital authorities plan to isolate drug addicts who carry the AIDS virus and knowingly infect other persons. They will be sent to Adelsö, an island near Stockholm. Persons infected with acquired immune deficiency syndrome would be housed in a sanatorium and be attended by doctors and psychologists.

The Greek government has ended a nine-month dispute with the Orthodox Church over the transfer of church property to the state. Under the agreement, 350,000 acres (about 140,000 hectares) of farmland and forests owned by Greece's 470 monasteries and convents will be jointly administered by church and state.

In an apparent effort to counter imports of foreign potatoes, Ireland will soon start fining stores that sell cracked, bruised or damaged potatoes. Government food inspectors will regularly inspect stores and impose the fines on those that sell below-standard spuds.

land should be turned over to state-run farm cooperatives. It empowered laymen to administer monastery lands and church-owned urban property. The law was later withdrawn following protests by the Orthodox bishops, who threatened to sever the church's link with the state.

innocent victims, whereas others charge its estimated yearly cost of 10 million kronor (\$1.6 million) would be a waste of money on dangerous people. The Health and Social Affairs Ministry, which backs the plan, said two virus-carrying female drug addicts who had remained active as prostitutes have been confined under guard at a hospital. Compulsory care on Adelsö, although an extreme measure, would provide "a somewhat more tolerable existence," the ministry said.

Africa Worrying About Its AIDS Image

By James Brooke

LAGOS, Nigeria — When Nigeria's first national AIDS conference opened last month, delegates were greeted with an accusation that is increasingly heard across Africa.

The theory that AIDS originated in Africa is a stalking horse for anti-black racism, charged Lieutenant Colonel Abdul Mumini Aminu, governor of the Nigerian state of Borno.

This theory, the governor said, "is reminiscent of a colonial mentality which gazes on our weakness and underdevelopment to unjustifiably attribute everything that is bad and negative to the so-called dark continent."

Western scientists tend to see the question of where AIDS originated as a scientific and medical issue, not a political one. They say that knowledge of the origins of the virus may help the search for vaccines or treatments.

But in much the way American homosexuals worry that fear about AIDS will feed discrimination against them, Africans worry that depictions of Africa as the cradle of AIDS will feed anti-African racism in the United States and Europe.

Acquired immune deficiency syndrome is an incurable disease that cripples the immune system, leaving the victim susceptible to some infectious and cancers. In Europe and the United States, the primary means of transmission of the AIDS virus are homosexual intercourse and in exchanges of blood, as in shared hypodermic needles. In Africa, the virus is largely transmitted by intercourse among heterosexuals.

Across Africa, the press has blurted out the theory — widely accepted in the West — that AIDS originated in Central Africa. Advocates of this theory note that the earliest known blood samples showing human infection with the AIDS virus were taken in Zaire in 1959.

infect primates — some infecting humans and some infecting monkeys. Nevertheless, the French researcher who uncovered the AIDS virus and described it four years ago, Dr. Luc Montagnier of the Pasteur Institute in Paris, is not convinced it originated in Africa.

He said recently that he has a theory about another unspecified continent and will complete a scientific investigation soon.

"AIDS Is Not African," said the headline of an article in the Ivory Coast daily *Fraternité-Matin*.

"Everything that is bad comes from Africa, and everything that is good comes from Europe and the United States," Edmond Paul Assy, an Ivorian psychologist, wrote bitterly. "To want to attribute AIDS to Africans is to also deliberately encourage racism and to reinforce racist ideologies."

In Cameroon, a journalist writing in *La Gazette*, an independent newspaper, accused Westerners of bringing AIDS to Africa through "their sexual perversions."

James Afiqre, a regional magazine, recently headlined: "AIDS Alert? Racism Alert!"

Nonetheless, Dr. Rothenberg added, the observation that a few AIDS patients do relatively well "is not to ignore the enormous proportion that does badly." According to the New York study, half of all AIDS patients died within the first year after they were diagnosed, with black and Hispanic drug abusers dying far more quickly on average than gay men.

The study, the most detailed yet of AIDS survival times in New York, found that 15 percent of patients had lived at least five years after their diagnosis with AIDS and that one man lived for at least nine years.

In Nigeria, The Guardian, a Lagos daily, recently lashed out against "highly organized smear campaigns" designed "to infuse a new inferiority complex on the black man."

Cartoons in the Nigerian press routinely depict the AIDS virus or an AIDS carrier wrapped in American flags.

According to the State Department, Africa has proved to be a particularly fertile ground for a Soviet campaign seeking to attribute AIDS to American military gear warfare research.

Although the Soviet government newspaper *Izvestia* recently published a disavowal by two Soviet scientists of those allegations, the theory has taken root. And the idea continues to echo through the African press.

In Washington, a State Department official who monitors Soviet reporting said, "The story now has a life of its own regardless of what the Soviets say."

"We've had several incidents of repetition of the disinformation," said the disavowal, the official said. "Africa is the place where it is most likely to occur."

Many Africans brush off AIDS as a minor health problem in the African context. "We should not exaggerate this disease," Senegal's Health Minister, Marie Sarr M'Boff, said recently of AIDS. "Worldwide, it does not kill more than malaria, tuberculosis or cancer."

But experts warn that an unchecked AIDS epidemic could have a catastrophic impact on Africa. Largely an urban phenomenon in Africa, AIDS has the potential to decimate the continent's fledgling elites who are essential for development.

In 1986, monitors in the State Department spotted the allegation in the African press for the first time. That year, the press in 10 sub-Saharan African countries carried the germ-warfare charge. In the first six months of 1987, 11 countries repeated it, the State Department said recently.

Whether through wishful thinking or the success of the Soviet campaign, many Africans say they believe that AIDS entered Africa from the West.

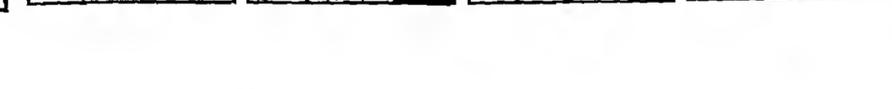
"I don't believe that AIDS came from Africa," a British-trained obstetrician said at a beach resort near Lagos. "I think it came from the West."

The United States has the largest number of reported AIDS cases in the world, about 45,000 as of this month. In Africa, experts say, many AIDS cases have not been reported, and in several countries the disease is common. In several cities in central and eastern Africa, recent studies have found that as many as 1 in 10 adults carry the AIDS virus.

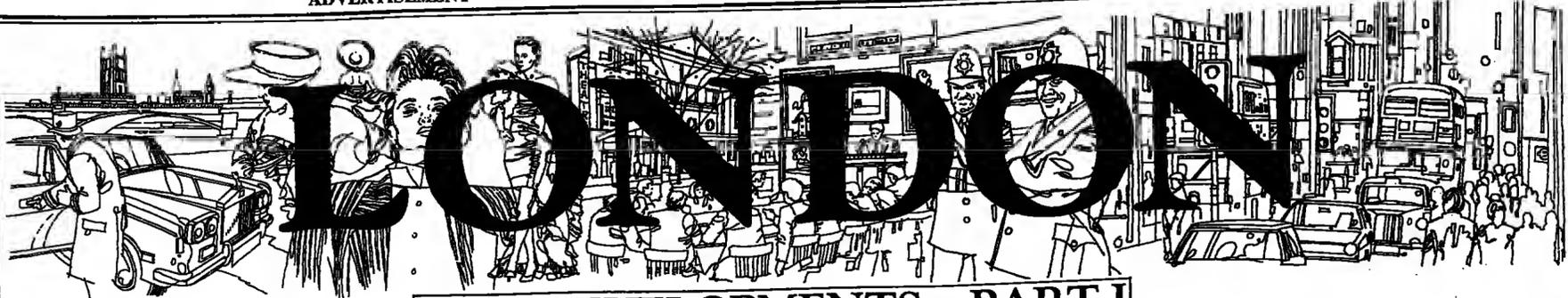
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Czech Emigré Flees the West
The Associated Press
VIENNA — A Slovak emigré woman who was disillusioned with life in the West fled back to Czechoslovakia in a row boat, Vienna authorities said Thursday. She had first fled about six months ago to Austria via Hungary and Yugoslavia.



ADVERTISEMENT



LONDON

NEW DEVELOPMENTS - PART I

A Buyers' Market for Super-Homes

It created a stir on the London property market when the auction of one of the last unmodernised houses on the Crown's Regent Park Estate was announced. Enquiries from buyers both domestic and overseas flooded in... then came Black Monday, the Crash of '87. Number 54 Cumberland Terrace failed to sell. Agents Knight Frank & Rutley had to buy it in at £800,000 without reaching its reserve. It signalled the end of three golden years when London prime property rose at least 35 per cent a year. The era of "anything goes" in property is gone. But not everything. Something is still selling well, and that is the very best.

Stock Market collapse in no, the leading businessmen, financiers, brokers and bankers who have flooded into the British capital following the deregulation of the City - the so-called Big Bang - still have to be accommodated at an appropriate level, but now they are in a buyers' rather than sellers' market. They are selective. They demand and obtain more for their money. Developers have an option but in respond, and there's a remarkable choice of super-homes now available.

Autumn Rise, a development of six newly-built apartments in Oakhill Avenue, Hampstead, within a few minutes' walk of the "village" and its famous heath. The award-winning architects Haugh & August have excelled themselves in designing a sympathetic and elegant building with striking red-brick elevations. Each apartment offers lavish, fully equipped hardwood Poggenpohl kitchens and quality bathrooms with tasteful use of Brazilian mahogany. The large living rooms feature classic marble fire-

places with French doors giving access to either terracing or balconies.

In addition to the sophisticated security, there is a porters' room with monitoring system situated off the opulent marble main entrance foyer. An attractive and impressive landscaped courtyard gives access to the secured integral parking area. A luxurious passenger lift serves all floors.

Three-bed, three-bath apartments start at £410,000; four bedders, at £485,000 (from agents Stickley & Kent), and two were promptly sold off-plan.

Nut far away, another Hampstead development, No 15 West Heath Road, is also selling at high-speed, only three of nine apartments now remaining. It is helped by its status as one of the last newly-built luxury blocks in a recently-declared conservation area. A three-bedroom-suite maisonette is priced at £390,000; two others at £500,000 and £590,000 (through Ellis & Co).

Like Autumn Rise, No 15 has a mass of amenities combined with high specifications reflecting the more competitive market; full independent gas-fired central heating and hot water, high-speed passenger lift, portage,

video security systems, landscaped gardens, balconies/terraces to all apartments, double glazing throughout, polished hardwood doors, secure underground parking with remote controlled garage doors, fully fitted and integrated kitchen system with ceramic tiled flooring and walls, a minimum of two luxurious bathrooms with marble walls and floors.

To beat that, you would have to build your own place. You can do so in the same Hampstead area if you buy the plot just released by Wiggins Property. This Docklands-based group - vertically integrated to cover acquisition, design, construction and marketing of residential, industrial and commercial property - is providing the very rare opportunity for you to acquire a one-off "design-and-build" home on a site within 20 yards of the heath extension.

Still in the Hampstead beat, Westover Hill is a very superior development of five new detached houses, with completion of the first promised by Christmas. Priced at £1.3-£1.7 million, they are being constructed to standards rarely seen in today's market. Each complements its neighbour but is not identical and they all blend with the main Westover Hill estate which is acknowledged to be one of London's finest modern developments.

Ranging in size from 4,000 to 5,000 sq ft, each unit has an indoor swimming pool with underwater lighting and jetstream. Pool facilities include changing rooms and a sauna. There is 24-hour security which includes closed-circuit television and electronic gates at the entrance to the development. Garages are electronically controlled. Air conditioning is provided to all principle rooms.

The accommodation includes a magnificent drawing room incorporating floor-to-roof conservatory, dining room, study, breakfast room, master and guest bedroom suites, two additional suites of bedroom and bathroom, a further bedroom and bathroom. The staff quarters have a separate entrance and could be easily turned into a gymnasium or games room if required.

Agents Savills and Stickley & Kent report strong interest from purchasers seeking

This is the first section of a two part special advertising section on London Property. Part II will appear on November 27, 1987.

substantial accommodation within easy reach of Central London and the City.

To cater for an international market, the developers of Beverley House, in Park Road, Regent's Park, called in US-based architects CRS, one of the world's biggest professional practices. Their design - reinforced by a matchless view over the park itself - obviously worked: a cosmopolitan clientele snapped up 38 of the 50 flats in the first phase when it was just a hole in the ground. Now Hampton & Sons are marketing the final phase of 16 apartments and the signs are that they are going at similar high-speed.

What remains are a few apartments at £330,000 to £750,000, with parking spaces for an additional £10,000 - cheap compared with the £30,000 recently paid for a small parking space in Hampstead. They are substantial units, but overshadowed by two prairie-sized

penthouses, ranked modestly by the agents as "among the most exclusive residential properties in the world". Each occupies two floors and totals approximately 6,000 sq ft of living space with stunning views across the park and beyond. The principal reception rooms are 55 ft wide with windows and balconies on all three sides. In addition, there are roof-top day-rooms and terraces. Two car parking spaces are included in the asking price of £1,750,000 for each apartment.

Hampton's director Linda Beany says the international styling, spacious interiors, high-level security, park views and easy access to the West End will secure these figures without difficulty.

In fact, easy access to the West End is a key factor in prime London property sales, and is the chief feature that attracted OCC developers to Inverness Terrace, a listed 19th century building in

Bayswater adjacent to Hyde Park. No's 25-33 have now been refurbished to 21st century standards, providing through agents Gillands & Co 39 apartments at from £185,000 for one bedroom to £415,000 for four bedrooms - some with roof terraces - and totalling close to £10 million.

Originally five white stucco-fronted houses dating from the 1860's, the development provides a typical example of Victorian architecture with fine friezes and intricate decorative plaster work. More significantly for the businessman is its location, 500 yards from the Underground line to the City, five minutes from Paddington Station, ten minutes from Knightsbridge, Marble Arch and Kensington High Street.

But a location which ranks considerably higher in London is Grosvenor Square, and adjacent to it is a refurbishment that represents the pinnacle of Mayfair living. No 46 Upper Grosvenor Street, facing the American Embassy, is a terrace house of classical elegance that has been refurbished by two of London's leading designers to create 22 spectac-

ular apartments from Prudential Property Services.

The three-bedder maisonettes providing 2,000 sq ft of accommodation have proved particularly popular. These, prominently situated at the front of the main building, are graciously arranged over two floors and provide a large and elegant reception room with a separate adjoining dining-room, ideal for entertaining.

The Penthouse Suite is currently arranged as two separate units on the seventh and eighth floors, amounting to the entire top two floors of the building. The accommodation provides approximately 4,000 sq ft and is ideally suited to be rearranged as a super penthouse maisonette. The proposed scheme would provide a double reception room leading out onto a 45 ft south-facing roof terrace together with a study off it, separate dining room, kitchen with breakfast area, laundry room, cloakroom and large hall area. On the upper floor there would be four bedrooms with ensuite bathrooms, a further bedroom and separate bathroom.

Alec Snobel

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Stunningly designed, the building takes full advantage of the superb park side locations and panoramic views. Inwardly spacious, impressive and secure. It enjoys a magnificent double height entrance foyer, decorous landscaping, 24 hour security, portage and underground garaging. Newly released 6th and 7th floor apartments range from 2-4 bedrooms and 2-3 bathrooms. The majority enjoy spacious Park facing terraces. The two superb penthouses each have 6 bedrooms, 6 bathrooms and 55ft reception rooms, balconies, terraces and roof gardens.

999 year leases. Completion date early 1988. Prices from £330,000 to £775,000 (Penthouses on application)

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PRUDENTIAL Property Services

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Want an office in a prime City of London location, compact in size but high in quality? Guild House, a new serviced business centre in Fenchurch Street, EC3, is the answer for many entrepreneurs, professionals and consultants.

Managed and operated by Local London Group PLC, the 30,000 sq ft building is divided into over 110 separate business units. All the latest electronic and telecommunication equipment is available ranging from telephone answering service, word processing, telex, and photocopies. In addition to these facilities, particular attention has been given to information and dealing services provided by Topic, Reuters, Teletext and Telecom Gold.

Apart from the individual small office suites, there is a central reception area and conference room facilities which include the original turn-of-the-century listed panelled boardroom with traditional furniture and fittings. These rooms can be hired by either resident or outside companies who do not have their own in-house facilities or require a degree of privacy or security.

Licensing has already commenced at this building and demand has been encouraging. The offices, complete with all the amenities, are offered on a minimum three-month licence agreement and are available for immediate occupation with all back-up services together with 24-hour access closed circuit TV and entry security systems.

Fees for a single office start at £11,000 p.a. fully inclusive, with connecting offices and suites also available.

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مركز من التجميل

TRAVEL

- Vienna's 'Bermuda Triangle'
- Skiing Hotels in Switzerland
- 3 Bistros in Paris

International Herald Tribune

TRAVELER'S CHOICE

Beaujolais Nouveau: Bananas

Thursday the Beaujolais Nouveau arrived in bars and restaurants in Paris, London, Tokyo, New York and other great imbibing centers of the world. Its appearance was an excuse for a predictable sort of vicious poetic license: "It is graceful and timid and shows a lot of promise," said Jean-Pierre Boulot, a Beaujolais producer from Fleurie, who was among a busload of winegrowers who came to Paris to sip the wine at the official uncorking. It is the first wine of the season, meant to be consumed in the few months after it is launched on the third Thursday of November. It accounts for about 55 percent of the Beaujolais crop this year, against 6 percent 20 years ago. Nouveau wines are expected to put \$68 million in the pockets of Beaujolais wine growers and dealers in 1987. Once upon a time — when even great French wines were cheap — Beaujolais wasn't considered worthy of a glass container. It was hauled off in barrels to Paris and Lyon, about 30 miles away, where it was drunk like juice by working men. It was, in fact, called "un vin de cochon," or a coochman's wine, because of the class of its consumers. When prices rose for other wines, Beaujolais wine dealers realized they had an inexpensive product that appealed to untutored palates. The Beaujolais stunts this year as usual included a rush to a Paris airport, whence more than 500,000 bottles were flown around the world by Air France. About half were New York-bound and a quarter headed for Japan. The United States will receive about 10 percent of the 60 million bottles of Beaujolais exported. Other big markets include Britain, West Germany, Switzerland and Belgium. Passengers traveling overnight were among the first to taste the new wine, described by Beaujolais spokesman as "incomparable. It smells like small red fruit, like strawberries, raspberries, even bananas." A chacun son goût, as they say.

Dublin's 1000th Anniversary



In the year 988 a Celtic king named Maol Sechnaill II took over "Dyflin," a Norse settlement on the River Liffey in Ireland. That event is considered to be the founding of Dublin, and a series of concerts, art shows, parades and parties are planned next year to celebrate its 1,000th anniversary. Today's city is distinguished by its elegant 18th-century Georgian architecture and its 20th-century destruction of same. Not to mention its pubs (casualty shown). Festivities begin on Dec. 31, with a concert in Dublin's National Concert Hall followed by traditional bell ringing and street parties. One cluster of events will come on St. Patrick's Day, March 17, and another on Bloomsday, June 16. The official birthday will be marked on July 10 by a re-enactment of an 18th-century Lord Mayor's parade and a party in Phoenix Park.

Onion Day in Bern

One of the most popular and colorful of Switzerland's markets is Bern's Zibelemeest, or onion market, to be held on Monday. According to tradition this annual market right was granted to the people of surrounding districts in gratitude for the help they gave after the great fire of Bern in 1405. The market is held in front of the Federal Building and on Basenplatz, and pride of place is given to the onions, which are piled up in huge heaps and piled into garlands and strings. All day long in a festive atmosphere people stock up on onions for the winter, and in the evening there is much jollification, including a confetti battle in one of the main streets. Perhaps those who aren't buying onions are searching for a spouse. Restaurants will offer special onion dishes and hot onion pies will be sold in the streets.

Watch Watching in London



Starting on Monday, Blancpain will give its first exhibition of watches outside Switzerland at the premises of the London royal jeweler, Garrard. Blancpain, founded in 1735, can claim to be the oldest watch name in the world and its watches to be the only ones still without a quartz movement. Blancpain does not have a "collection" of designs, but only one basic model for men and another for women. The Garrard exhibition will include a mock-up of the Blancpain chalet workshop at Le Brassus. The various painstaking stages of watchmaking will be demonstrated. For the first time in England the Blancpain perpetual sonnet watch, which costs about \$60,000 (about \$106,000), will be on show and for sale. The watch takes 12,000 hours to make by hand and, when desired, chimes the hour, quarter hour and minute, and shows the day and month, and phases of the moon until the year 2100. There will also be a collection of automata and musical boxes to look at, including this Pierrot, who writes, closes his eyes and falls asleep, then reignites his lamp and starts to write again. The exhibition could be a welcome refuge from the general stampede of London Christmas shopping. At 112 Regent Street, for one week only.

Hyatt Award Scheme for Guests

Hyatt hotels and resorts have a new awards certificate program under which customers can earn discounts on rooms, plus free food and beverages. The program, known as Hyatt NightCaps, is in effect until Jan. 31, 1988. Different awards certificates, redeemable on future Hyatt stays through Sept. 15, 1988, will be placed on each guest's pillow. The certificates include a 50-percent discount on the second night of a two-night weekend stay; a \$50 room credit at Hyatt's newest hotels; free membership in the Gold Passport frequent traveler program and ship in the Gold Passport under 12 when accompanied by free meal for children under 12 when accompanied by an adult. "Hyatt NightCaps will award something of real value to guests every night that they stay in our hotels," said Adam Aron, senior vice president of marketing. The Hyatt chain includes 131 hotels and resorts worldwide.

Finding the Right Caribbean Island

by Joseph B. Treaster

HERE are more than three dozen Caribbean islands, stretching across a body of water one-third the size of the United States. The choice presents a perennial problem: Which island suits you best?

Some of the islands have hardly any beach and some are as dry and barren as deserts. Some offer gambling casinos and discos that hum all night. Others seem endlessly tranquil, where the big event of the day may be the late afternoon return of the fishing boats.

I've been traveling the Caribbean for the last three years, and friends of ten ask me to suggest the perfect island. There is no easy answer because how people react to the islands is as much a function of their personalities as anything else. But I can tell you about some of the things I've discovered in hope of helping you make a choice.

Generally, the bigger and more developed the islands, the easier they are to reach. From New York, if getting there fast is your aim, you will probably want to consider one of the daily nonstop flights to the larger islands in the Bahamas (actually in the Atlantic rather than the Caribbean), as well as to Puerto Rico, St. Martin, St. Croix and St. Thomas, the Dominican Republic and Jamaica. You can be on the beach in a few hours. All these islands have lots of hotel rooms, and the chance of finding a room for the weekend on the spur of the moment is much greater than on some of the smaller, more remote islands.

On the other hand, the islands that require connecting flights — like the French island of St. Barthelemy, the scuba mecca of Bonaire and the former British islands of Nevis, Dominica and Grenada — get fewer tourists and provide more sense of discovery.

THE variety of accommodations on the larger islands extends from small, relatively inexpensive inns to giant, high-rise chain hotels and a number of elegant and expensive resorts as well. You don't have to go to a remote island to have an exotic experience.

For my money, Jamaica is one of the most appealing islands. Its north coast is lined with long stretches of sandy beaches and rocky cliffs. The blue mountains rise up a short distance inland and most of the island is covered in thick tropical foliage. Montego Bay and Ocho Rios have several hotels that offer package deals; there are also less expensive family-run inns and such elegant places as the Jamaica Inn in Ocho Rios, the 191-room Half Moon Club in Montego Bay and the 26-suite Trident Villas and Hotel in Port Antonio.

On the north coast are several waterfalls, a number of art galleries, the hilltop home of Noel Coward (now a museum), and rafting excursions along the Rio Grande River. Nightclubs, bars and restaurants offer reggae and calypso.

I don't think of Jamaica as a heavenly place for food; indeed, first-rate cooking is rare in the Caribbean. But I can never resist the spicy barbecued chicken and pork that Jamaicans call jerk chicken and jerk pork. They sell it along the roadsides by the fraction of a pound, often wrapped in a piece of brown paper.

The best reputation for food in the region is held by the French islands, Guadeloupe, St. Barts, Martinique and the French side of St. Martin. There are, however, some exceptionally good restaurants elsewhere, like the Green Parrot Inn overlooking Castles in St. Lucia, Vesuvio in Santo Domingo in the Dominican Republic and Joss's in the St. Lawrence area of Barbados. One of the most unusual restaurants in the Caribbean is Mama's in St. George's, Grenada, where amadillo and possum are regular fare. Hot sauces concocted from red peppers and other spices are as much a staple of Grenada and most other islands as rum. Many island cooks bottle hot sauces at home, slap on rudimentary labels and hawk them to tourists.

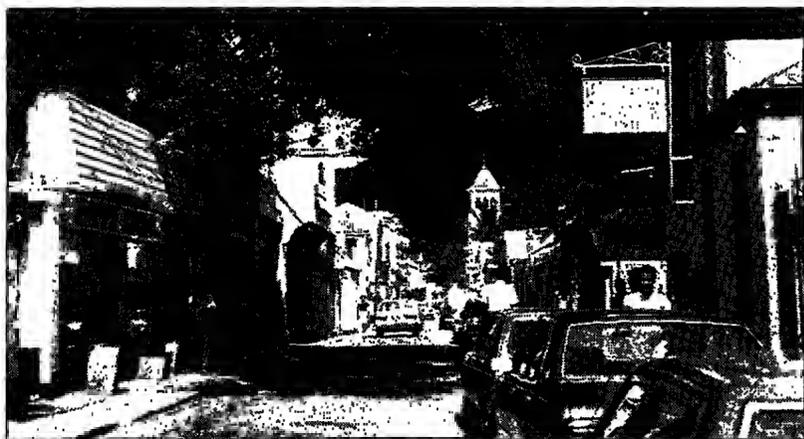
MANY of the islands have casinos, with the biggest and fanciest ones in Puerto Rico, the Bahamas and the Dutch side of St. Martin. Some of the gaming rooms rival Atlantic City in splendor, and several have show-girl revues and other entertainment. Aruba also has big-time gambling, and there are casinos in the Dominican Republic, St. Kitts, Antigua, Haiti, Curacao, Bonaire and the French islands.

Tennis and sailing are available on most islands and there are also some challenging golf courses. Golfers rank the top 18-hole courses designed by Pete Dye at the Casa de Campo resort in the Dominican Republic as among the best and give high praise to four adjoining courses in Puerto Rico at the Dorado Beach Golf



Charles Hagan

Some of the islands are known for their night life and shopping, others seem endlessly tranquil. Above, one of the 14 waterfalls in the Carriacou Gardens outside Ocho Rios, Jamaica, and, right, a street in Philipsburg on St. Martin.



Club and the Cerromar Beach Golf Club. Jamaica has eight courses, including three outstanding ones in the Montego Bay area. Freeport on Grand Bahama Island, in the Bahamas, has three, as does New Providence, which includes the Bahamian capital, Nassau. There is also golfing on St. Thomas, St. Croix, St. Kitts, Grand Cayman Island and Barbados, where there are three courses.

The Dominican Republic's Casa de Campo, which sprawls over 7,000 acres of landscaped grounds, has 150 polo ponies and dozens of quarter horses, two polo fields where visitors can take lessons or compete or both, and miles of riding trails through fields of sugar cane and tropical wilderness. Chukka Cove, near Ocho Rios, also has polo ponies and a polo field and horses for riding along coastal trails and into the

mountains. There is also horseback riding in St. Kitts. Jamaica and other mountainous islands, like Grenada, Montserrat and Dominica, have hiking trails winding through their rain forests. Along the trails in St. Kitts and Nevis hikers often see wild monkeys.

Not so long ago, Puerto Rico seemed to be low on many vacationers' list of preferences. But it seems to be glowing with vitality again. Many hotels have been refurbished, there are lots of good restaurants and — along with Santo Domingo — San Juan, the capital, has some of the best examples of Spanish colonial architecture in the Caribbean and some of the best museums.

Puerto Rico is also one of the islands where you can practice your Spanish. But visitors uninterested in foreign languages won't have any trouble. An enormous number of Puerto Ricans are bilingual. English is a requirement in their schools. French is the main language on Guadeloupe and Martinique, which are departments of France, and French and a French-derived Creole are also the main languages of Haiti.

For shopping in the Caribbean there are well-stocked duty-free shops in the big cruise-ship ports of Nassau, St. Croix and St. Thomas. Every island offers straw baskets and hats and many of them have dressmakers who sell their own designs in boutiques in the tourist areas.

On the beaches in Barbados women sell batik dresses and bathing suit cover-ups and young men sell beads and coral jewelry. In Grenada, beach traders

Continued on page 9

Acapulco Shops — If You Can Leave Beaches

by Marvin Howe

ACAPULCO, Mexico — On these powder-gray days, or if the conchiflower sky becomes too monotonous, many Acapulco vacationers turn away from pools and chaises to their second favorite pastime: shopping. An impressive part of the population of the tropical resort, estimated at nearly one million, is involved in the production, promotion or sale of handicrafts. Acapulco, with its natural bay, has always been an important trading center and was known for an annual spring fair as early as the 16th century.

Perhaps the most pleasant place to look for gifts is the Mercado de Artesanias, also called El Parazal and the Flea Market (according to some signs in English, although it is not a flea market). The Mercado de Artesanias is a block of tile-roofed shops and patios shaded by tamarind, coconut and mango, five blocks from the Zocalo, or main square. It is easy to walk away the entire day in the market, which has 500 shops with handicrafts from all over Mexico. Silver jewelry from Taxco, black pottery from Oaxaca, embroidered cotton dresses and onyx pieces from Puebla, papier-mache animals from Guadalajara, beaten copper plates from Villa Escalante and painted wood and ceramic objects from elsewhere in the state of Guerrero.

In front of many of the stores, artisans can be seen fashioning their wares. Marcelina Salgado, who has been selling straw baskets since the market opened 10 years ago, usually sits in the shade, chatting with friends and working on a straw hat or basket. A large decorated basket costs about \$2.

Ismael Ines Maximo, 17, paints wildly colored scenes of country life on ceramic plates, wooden fish and other objects. He says he learned to paint by watching his

sister, who paints animals at home. A hand-painted wood or clay fish costs about \$10.

Lauro Torres Avila makes large models of Spanish galleons and plans to export them to the United States, where he has several orders. Torres also sells items from other parts of the country. From Puebla, for example, he offers pairs of onyx candleholders for \$15 or heavy onyx ashtrays for \$5, from the state of Michoacan, a tile tray for \$8 or a set of six liqueur cups made of pine for \$3.50.

"Four years ago, the market was dead because agents would ask a high commission to bring us tourist groups, and so we had to raise our prices accordingly," said Torres, who is leader of the market guild. Then, he explained, the guild got its own agents who go to the main hotels and tell tourists about the market and even accompany them if they wish.

Some merchants in the market still ask inflated prices, clearly expecting clients to bargain. Others, like Blanca Apar, ask what they call "a just price," because they don't have to figure in commission anymore. She specializes in silver rings with local semi-precious stones. A large jade ring with a vine-like silver setting costs \$10, a flax-colored topaz around \$11.

She also displays handmade objects such as fish-scale earrings that look like pink, purple or white flowers (50 cents a pair). A large mother-of-pearl seashell, selling for \$1.50, can serve as an ashtray — or a cure for scars, if left with a few drops of lemon juice overnight, according to the seller.

The market is open from about 9 A.M. to 8 P.M., without closing over the lunch and siesta period, as many shops do. Visitors can pause for a soft drink or beer in a large central pavilion, or even a simple lunch upstairs for about \$2 a person. The busiest time of day is between 5 and 6 P.M. when



Clothing stalls in Acapulco's Central Market.

American visitors usually come in small groups.

A regular taxi to the market from the center of Acapulco is less than \$2, according to the rates posted at Condessa del Mar Hotel. A blue and white Volkswagen Beetle taxi charges about half that fare, but the fee must be agreed on before the journey. Craft connoisseurs seeking something special should go to the Casa de Artesanias Xilitla — the Guerrero State Handicraft House, opened last year in Papagayo Park. It is best to take a taxi along the bayfront boulevard, Costera Miguel Aleman, to the Gi-

gante supermarket, and enter through the back gate of the vast amusement park and zoo.

Once inside the park, visitors must take care because there are several handicraft stores clustered together, but only one. Xilitla, has a full display of the work of Guerrero's artisans, at government-controlled prices. The shop is open daily from 10 A.M. to 7 P.M. At the handicraft house, there are, for instance, bark paintings with colorful scenes, from the village of Xilitla, which gave the shop its name, that sell for about \$5.

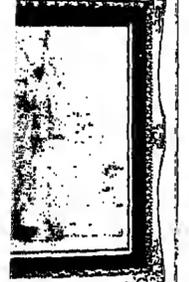
Then, there are the hand-painted boxes and chests made of a fine aromatic wood called linaloe, from the mountain village of Olinale in the eastern part of Guerrero. A small chest and stand, brightly decorated with fish and birds, sells for about \$40. A large chest with a floral pattern is priced at less than \$125. A lacquer painting with an intricate Persian-style design sells for about \$20, and a skillfully painted box runs about \$5.

The artisans of Olinale use traditional techniques and designs and natural colors.

Continued on page 8

partments from Pruders Property Services. Three-bedder maisonettes providing 2,000 sq ft of accommodation have proved particularly popular. These are conveniently situated at the end of the main building, are neatly arranged over two floors and provide a large and comfortable reception room with a study adjoining dining room. ideal for entertaining.

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TRAVEL

THE FREQUENT TRAVELER

Airline Passenger Group Amplifies Consumer Voice

by Roger Collis

HANS Anatole Krakauer, 62, the chairman of the International Airline Passengers Association, says he is "sick and tired of people saying we are a commercial organization which tries to sell insurance under the guise of doing something for the frequent flyer."

"You could say the same about every newspaper or TV station that accepts advertising. The existence of a consumer-oriented organization that is independent from anyone else and is financially capable of putting its money where its mouth is was unknown in the civil aviation industry. This is one of the reasons we've been successful. There is growing support for IAPA in aviation regulatory agencies. There has been a tremendous increase in the influence of the consumer voice in the decision-making process."

IAPA, as an unabashedly profit-making organization, claims to have 10,000 members and makes its money by subscriptions linked to travel-related insurance plans. Dues of \$89 a year entitles all the member ship benefits (plus \$100,000 common carrier insurance). They include discounts on hotels, car rentals and other travel services, such as business centers, use of lounges at 12 international airports (you pay \$12 per visit) and a free luggage retrieval service, whether you lose the bag at an airport, hotel or in transit. Up to \$1 million in flight accident insurance is offered at extra cost.

IAPA also helps with individual complaints. Says Krakauer, "We get hundreds of calls and letters a month. So if you find, for example, as once happened to a friend of mine, your suitcase full of water when you arrive on Air India and the airline says it's not responsible because you've left the luggage area, you get bumped or can't get a ticket refunded, you'll be surprised how fast IAPA jumps into the issue."

IAPA was founded in Dallas 27 years ago. It is now based in Rotterdam with offices in London, Berlin, Zurich, Lisbon, Hong Kong, Singapore, Dallas and Washington. "Wherever legally possible" its service centers have a toll-free 24-hour hot-line. "The vast majority of our members now live outside the U.S., most in Europe and the Middle East. There is great interest in the Asia/Pacific area which we expect will account for 30 percent of members in three years time," Krakauer says.

IAPA draws much of its strength (aside from insurance) from the collective views of its members drawn from a biennial study (the latest was published early this month) "plus dozens of spot surveys such as on the closing of the helicopter link between Heathrow and Gatwick." These have helped IAPA take a position on broad air transport issues, such as life-vest specifications, smoke detectors, flammability standards for materials,

smoking on planes, carry-on luggage, treatment of children and handicapped people, and bias in airlines' computerized reservations systems.

In October 1985, IAPA founded IFAPA (the International Foundation of Airline Passengers Associations), a Geneva-based non-profit making body to pursue IAPA's more cosmic issues with airlines and regulatory agencies around the world.

As Krakauer sees it, the key towards establishing credibility for a consumer group is to find an "interlocutory," not a destructive, role. "One thing we don't want is to create bankrupt airlines."

"The first key issue is for airline passengers to obtain a fair price for a given level of service. I don't believe that the one-class system is the answer; neither is the answer to take an economy configuration, put a napkin on the fold-out table, or like BA, leaving the center seat free and say, now you're business class. This is not what we're paying a premium for. The only place it is beginning to show some signs is with intercontinental flights."

"Then there's the nonsensical debate about what is liberalization and what is competition. Airlines have to take the same chances in the market place as the grocery store. On the other hand, lowering of prices should not prejudice safety margins."

"I am concerned about the increasing shortage of trained pilots. I depend on the pilots associations like IFALPA to make their views known to passengers and if acceptable we will help them."

Airports are another of Krakauer's gripes, "not just because of the now very colloquial overcrowding but because they are not doing a job of providing service for the higher paying passenger, except for a separate check-in. They have left this special handling to airlines or organizations that offer lounges."

What has IAPA/IFAPA done behind the PR hype? "The establishment of an office of passenger safety within the FAA; the agreement of airlines to permit IAPA intervention in luggage retrieval," Krakauer says. "We have been asked to judge the innovation awards of the International Flight Catering Association, of great interest to passengers."

"Some governments, notably the U.S. and the Netherlands have not only been cooperative but have solicited our comments. Neelie Smit-Kroes, the Dutch transport minister, is interested in doing a study with IFAPA on the effect of cross-border airline mergers on the interests of passengers."

Talk to Krakauer and you'll get chapter and verse on how he has fought against the removal of over-wing exits on the 747. Or his role on the board of the Aerospace Medical Association.

It seems that all passengers need to do now is to buy insurance.

Hotels in the Mountains of Switzerland

by Mavis Guinard

WHEN choosing a mountain hotel in Switzerland, first I want some charm. Then I must have comfort. Since I hate to shoulder my

skis at the end of a glorious day on the slopes to trudge blocks in ski boots, I favor hotels you can glide back to, just stepping out of your skis at the front door. It considerably narrows the choice.

High on my list is the Jungfrau Hotel at Wengenalp. One tiny railway stop and the hotel. Nothing else. When the last train departs for Wengen at 7 P.M., when the last ski patroller in his orange parka flashes by to close the piste, there is nothing but snow, the tracks and the impressive rock wall of the Eiger, the Mönch and the Jungfrau.

The 40-bed hotel is one of the few oldtime mountain hotels, way above a resort, that have become a skier's delight: spotless rooms that get a fresh coat of paint each spring, lacy quilt covers, waxed pine floors carpeted in blue, rustic painted chests and wardrobes, copper pans filled with plants or Erica von Almen's dried flower arrangements.

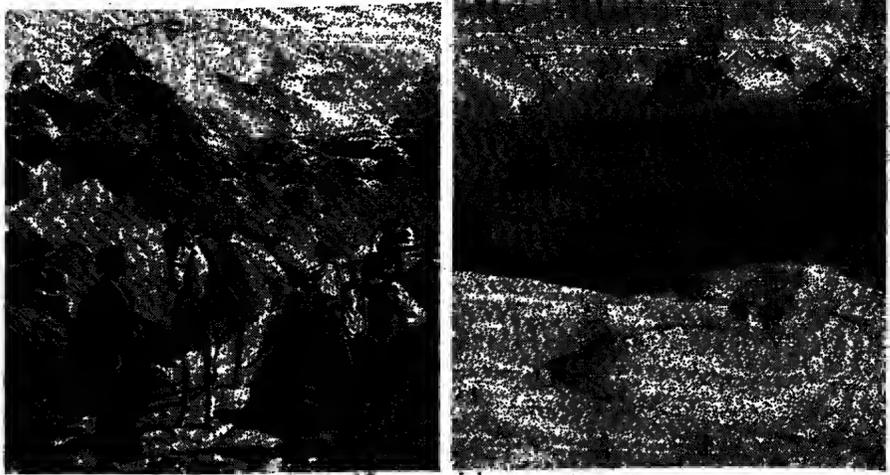
In the wood-paneled main room, a carrot cake is set out for tea by the fire. At the bar, a guide maps out the next day's excursion with his clients. In the kitchen, the chef Peter Otto puts the finishing touches to dinner.

On the landing, 19th-century prints record the growth of the hotel from a cowherd's barn to today's cozy hideout. Wengenalp is on a high Oberland passage that Lord Byron once rode feeling "alpine and proud." In the steps of the poet came the "romantic tourists," then Thomas Cook's first tours. The first hotel was built there in 1865, a severe wooden cube faced with shingles. Later came the railway, the Victorians and finally the skiers. Each winter, the Lauberhorn World Cup skiers pass what is still called Byron's Hill.

"We inherited the place in '62," says Kaspar von Almen — a third generation hotelier. "Every year we have added something, enlarged the main room and terrace, put in bathrooms, converted rooms in the attic. We plan a sauna next. But we don't intend to get any bigger. We can just manage nicely in winter."

RUNNING a hotel at 1,870 meters (about 6,155 feet) is complex. All must be stocked ahead in the vast cellars or brought in by train daily. Milk, bread and croissants come up from Wengen, fresh vegetables and meat from Interlaken. "Twice a week, our fishmonger meets a flight in Geneva to pick up seafood," says von Almen, which explains how the hotel serves lobster.

Despite the difficulties, all the young von Almens have been trained to take over. Katrina will replace her mother, Christian, his father, Andreas, who is an architect, supervises the remodeling, but in time will manage his aunt Heidi's hotel at Kleine Scheidegg, a turn-of-the-century palace at the foot of the Eiger, the base for mountain climbers' attempts on the North Wall.



The old and new looks in the land that Lord Byron traveled.

Both hotels are for sports lovers who can skip discs to step out of the hotel and into their skis, for those who want to catch the first chairlift to the Lauberhorn's untracked snow, then work their way around alpine terrain baptized long ago by young British skiers or interned army men with names like Punchbowl, Bumps, Mac's Leap, the Rat Run or simply Oh God. Eighty kilometers of runs connect to car-free Wengen and the cable car to the Mannlichen or over Kleine Scheidegg to the Eigletscher station or the easy blue run to Grindelwald. Non-skiers can ride by train through the same scenery or up the world's highest railway to the Jungfrau glacier. SkiBob, a local invention, is another way to get around in an area where even the postman makes his rounds on a wooden ski-bike.

For skiers and non-skiers alike, a grand hotel on the slopes, the Schatzalp, on a shelf 300 meters above Davos, is closer to boutiques, bars, hockey matches and concerts of the busy snow city. Before laying the first stone, the owner had to build a cog railway to bring up construction materials and the furnishings expected by the clientele: stained glass windows, crystal chandeliers, Oriental rugs, a collection of Biedermeier, hundreds of rattan chaise longue. The funicular yoyos to town in four minutes. A sled run takes you down even faster, while skiers prefer to be whisked by gondola up to the Strela pass for the connection to Parsenn.

The Schatzalp is out of a Jungfrau Bergman movie: Wide endless corridors lead to salons, dining rooms and reading rooms.

Schatzalp, like most palace hotels, was geared to the elaborate tastes of English dukes or Russian archdukes. The idea of

turning the Alps into a winter playground dates back to 1866 and is usually blamed on a bet by the hotelkeeper Johannes Badrutz 2d with some Englishmen that they would find sun in St. Moritz in January or he wouldn't charge them a centime. Later, César Ritz, who came from a Swiss valley so snowlocked that everyone is called Ritz, worked up from busboy and learned the ways so well that the name now stands for grand hotels. Hotel schools refined his great hotel formula by adding the economics of hotel management to the essentials of service.

Over the years, Swiss hotels have grown to many sizes and many tastes. Those who like their hotels on the slopes consider the supreme version to be St. Moritz's Suvretta House. Suvretta House offers a private ski lift to Piz Nair, plus an ice rink, a pool and a bus shuttle to St. Moritz's jewelry auctions or bobbed taxi rides. Recently, a floor of the hotel was converted into Club Suvretta to attract a more casual, younger crowd who no longer want to dress for dinner.

SWISS friends recommend the comfortable Hotel Margna in Sils-Baselgia — a patrician mansion turned long ago into a summer hotel but recently opened in winter, too, for its site on the edge of the frozen lake at the start of the annual Engadine ski marathon. This area is mainly for cross country but also has ski bus connections to downhill runs on Furtenschellas and Corvatsch.

On the other hand, some hotels don't pretend to offer anything but simple meals and a convivial atmosphere. The Weisshorn, built in 1882 at 2,500 meters above the Val-

sen village of Chandolin, is a bring-your-own-sleeping-bag, no-fills affair for determined skiers and hikers who reach it in winter by snowcat. There are flat trails to cross country behind the hotel, while downhill skiers must warm up by climbing a small hill before reaching the ski runs. A snowcat picks them up at the end of the day. "We have a list of our skiers and have never forgotten any," says Anne-Madeleine Staub, who with her husband, Jean-Jacques, has already added heating to half of the old hotel and hopes some day to make it more comfortable. "Baths are a problem; we have to bring up all our water with the snowcat."

Without going that far a young Swiss hotelier is trying another formula. The Hotel Guardia Val at Lenzerheide/Spiez, puts its guests in eight converted barns where the cows were brought each May to pasture on the new grass.

Thick plaster, old beams, exotic wallpapers give the rooms an individual touch. Once the cows heated the sleeping quarters above their stalls. Fortunately, Reto Cottiani learned his basics in Lausanne's Ecole Hôtelière and the revamped rooms have radiators with thermostats, bathrooms and minibars. In January, there were no cows in sight, but the ski room was used as a stable not too long ago judging from the slight scent of manure that now perfumes my skis.

Minimum prices per person with half board range from 40 Swiss francs (about \$56) for the Hotel Weisshorn in Chandolin to 110 francs at the Hotel Jungfrau in Wengenalp to 165 francs at Suvretta House in St. Moritz.

Mavis Guinard is a journalist based in Switzerland who specializes in cultural affairs.

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Acapulco

Continued from page 7

according to Gustavo Chaves, a specialist at Xilitla. He described what is called the rayado or scratched process.

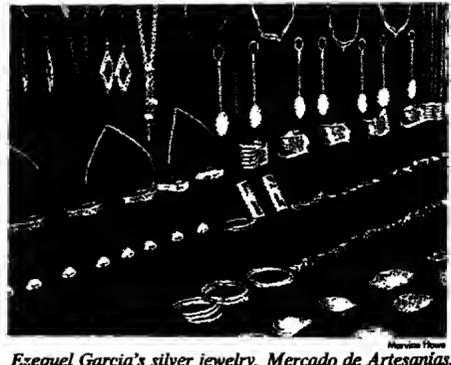
First the wood is covered with a coat of black lacquer and put aside for five days. Next a coat of colored lacquer, usually red or blue, is applied and the object set aside for another five days. Then the artisan cuts out the design with a kind of stylus, which gives a relief effect.

Several other handicraft stores are organized like supermarkets with fixed prices. For example, the Market, locally known as Maebba, is at 6 Anton de Alaminos, just off the bay boulevard. Most of the downstairs area is devoted to sterling silver jewelry from Taxco. A chain of large silver balls is priced

at about \$230 and large silver chunk earrings about \$20.

Upstairs at Maebba is a wide variety of items from all over Mexico. In the papier-mâché section, a great red lion is about \$30 and a beamed white cat is \$27. Among the onyxes, a yellow coffee table is priced at about \$300. Copper plates with brass rims cost about \$7 each.

Probably the best known handicraft market is Artesanías Finas Acapulco, on the corner of Horacio Nelson and James Cook avenues, near the Hotel Tropicano. What it lacks in charm is compensated by a large selection of neatly displayed attractive items. A medium-sized lacquer tray with arabesques and animals costs about \$12. An amber-colored onyx fish-shaped ashtray is priced at around \$8, and a black and white onyx chess set at



Ezequel Garcia's silver jewelry, Mercado de Artesanías.

\$7. Long cotton dresses with multi-colored embroidered sleeves are between \$18 and \$27. Hours are 9

A.M. to 7:30 P.M.; the market does not close for lunch.

For the handy, there's the Central Market, at the corner of Constituyentes and Hurtado de Mendoza streets, about five blocks inland from Hornos beach. Just strolling through this vast, noisy, open-air municipal market can be an adventure. You have to pick your way carefully through the potatoes and piles of fresh pineapple, limes, green peppers and garlic. There's a covered meat and fish area and a large clothing section. Interspersed are items that might appeal to visitors such as rough clay jars, hammocks, stuffed animals and other curios. Bargaining is advised, so it's useful to know Spanish.

All along the Costera Miguel Alemán are specialty shops mainly for handicrafts or sportswear. In addition, drugstores such as those in the Sanborn chain feature a good selection of craftwork. And, of course, the luxury hotels have boutiques with good quality handicraft at higher prices.

Finally, there are the ubiquitous vendors, who sell almost everything at any price. In its official welcome guide to Acapulco, the secretary of tourism warns visitors that they must bargain with street sellers and suggests: "A price is usually settled somewhere around half of the original price."

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RESTAURANTS Bistros Simple

TRAVEL

Vienna's Nighttime 'Bermuda Triangle'

by Ruth E. Gruber

VIENNA — They call it the Bermuda Triangle because, like the region of the Caribbean where ships and planes mysteriously disappear, once you enter it you might get lost.

That is, lost in a welter of narrow streets and late-night bars in the heart of the downtown First District, within the Ringstrasse and between St. Stephen's Cathedral and the Danube Canal.

The Bermuda Triangle is the hub of Vienna's new nightlife, the area extending on either side of Rotenturmstrasse, where scores of wine bars and cafe-restaurants or taverns — of the kind known as a *Beisel* — have sprung up in the last half-dozen years, transforming the after-hours scene in a city that used to roll up the sidewalks at 10 P.M. Even now, establishments are prohibited from serving at outdoor tables after 10.

"Only a few years ago," says a guide to the city for young people, "young visitors to these places looked with envy at cities like Berlin and Munich, where there was a great variety of important nightspots. Today the situation has changed and the problem is reversed: There is such a wealth of places to go here that it's difficult to choose. Not a week passes without new bars, taverns or other places being opened."

It's a scene that few tourists seem to know about, a far different Vienna than that represented by the State Opera and the Spanish Riding School or of the staid Viennese coffeehouses and the popular *Heurigen*, the wine taverns near the vineyards in the picturesque towns on the edge of Vienna.

HERE places like the *Salzamt* on Ruprechtsgasse or the *Alt Wien* or *Oswald und Kalb* on Bickerstrasse regularly stay open well past midnight, serving as nightly hangouts for students, painters, writers, actors, musicians and other members of the city's artistic or intellectual "in" crowd.

(One British resident of Vienna referred to this crowd as the "propeller set rather than the jet set" — but that's another matter.)

People migrate from bar to bar and tavern to tavern drinking wine or coffee or schnapps or perhaps eating a meal of goulash soup or *wienerschnitzel*. A few places, like the *Roter Engel* on Rabensteig, offer live music, but mostly the emphasis is on meeting, talking and checking things out.

By day, some of the late-night places function as cafes and restaurants, sandwiched in among a growing number of art galleries, book stores and boutiques catering to a different clientele than the traditional Viennese shops.

Several years ago, the night scene was still so new that habitués spoke of it as the same 500 people rotating each night around the same 10 bars. Now, new bars open regularly and the army of people who circulate through them has swelled.

"When I go to three bars in an evening, I always meet at least three or four of the same people at each bar," said Peter Martos, a foreign affairs editor on the daily *Die Presse*.



The late-night scene in Vienna.

Photographs by Ruth E. Gruber

"It's a new culture. At the *Heurigen*, all people are forced to be brothers. At the coffeehouses, everyone sits there isolated at his table. At the new bars — if you don't contact the people you know, they will come to you. I really like it."

The Bermuda Triangle phenomenon, which has led to other trendy (some say trendier) late-night scenes in other neighborhoods — is part of an overall rejuvenation of Vienna, which has seen a flowering of non-traditional galleries, theater groups and musical and other performances. In one bold move, the city also commissioned the artist Friedhelm Hunderwasser to design a public-housing project, which opened two years ago and sits like a fantastic and colorful sculpture in an otherwise bourgeois street.

"It started about seven years ago," said Peter Hrtica, who with his partner, Rudolf Oswald, runs the dimly lit *Café Alt Wien*, which is packed nightly by a 250 to 300 customers, a standing-room-only crowd.

"Before that, it was dead," he said. "Today, more and more places are opening all the time."

house, but in the 1950s was modernized with tacky plastic decor. Hrtica and his partner acquired it about three years ago, stripped away the plastic and reopened it with a new, old-fashioned and slightly seedy decor.

"They painted the walls to look as if they had been soaking up cigarette smoke for years," said an English resident of Vienna.

With the dim lights, the smoke-filled atmosphere, the new-old look with the walls plastered with posters, and an old billiard table in the middle of one of the two main rooms, business at the *Alt Wien* took off.

"Students, artists, actors, directors, painters — they all come here, and attract others," said Hrtica. "We get the same people every night from 10 P.M. till 4 A.M. There aren't very many tourists."

A typical night in the Bermuda Triangle can start with dinner at Oswald und Kalb, just across Bickerstrasse from the *Alt Wien*, or at the *Salzamt*, a few steps from the central synagogue. The evening continues with brief stops in two or three other bars or taverns, making sure to visit only those popular ones packed with people and noise.

Ruth E. Gruber, a former correspondent for United Press International, lives in Italy.

RESTAURANTS
3 Paris Bistros Offer Hearty, Simple Fare

PARIS — Lucette Rousseau, better known as Lulu, personifies the contemporary, independent style of Parisian bistro keeper. Hard-working, well-organized and passionate about her métier, the sharp-talking Lulu has managed in just a few short years to create exactly the style of restaurant she wants.

Her spotless and cozy bistro, *L'Assiette*, has been carved out of a lovely 1930 charcuterie, a space adorned with etched glass windows and a decorative glass ceiling, enlightened by butter-yellow walls and a touch of greenery. There is room for 40 or 50 diners, the ideal size.

Eating at Lulu's is never a quiet affair, for decked out in a red beret, jeans and work

pairs, in groups, in families, to feast on Picquart's bargain 98-franc menu, which includes a remarkable cheese tray and better-than-average desserts. For starters try the generous *salade de gésiers*, a mound of greens mingled with chewy preserved duck gizzards, or a platter of the freshest, tiny fried sole, simply garnished, with a lemon wedge.

But my favorite dish is his state-of-the-art *lapin à la moutarde*, featuring incredibly moist rabbit bathed in a rich and creamy sauce with just the right dose of mustard. Desserts here include a rich bitter chocolate cake and pears in red wine, a dish marred only by an excess of sugar in the wine-infused syrup.

PATRICIA WELLS

shirt, she rambles in and out of the kitchen throughout the service, shouting, raving, cracking jokes with friends and strangers. In short, not the place to go for a tête-à-tête or a serious business lunch.

But for all her craziness, there is real sanity here: The food is full of flavor and well thought out. Side dishes aren't just there for ornament, but to truly complement the main dish as part of an ensemble. A case in point is her giant, earthy *boudin* blood sausage, grilled to a crisp and accompanied by sautéed potatoes and whole cloves of garlic in their skins, and a slice of tangy apple tart.

HER *petit salé de canard* — duck that has marinated for days in a salt brine infused with herbs and spices, then poached — is beautiful, rosy, and not cloyingly salty. She serves it on a bed of soft, buttery golden cabbage, a soothing fall dish if there ever was one.

Although the menu leans heavily toward specialties of the French southwest — right now, there is a good assortment of game, as well as sautéed wild *cepe* mushrooms with garlic — her menu does not read like a hackneyed list of foie gras and confit. She does wonderful things with fish (note the grilled tuna seasoned with Breton sea salt) and includes a few bistro standbys, such as *boeuf à la ficelle*, or beef tied with a string and poached in broth.

The wine list has improved over the years and includes a robust Cahors, Prieuré de Cénac, from Lulu's native southwest.

One finds equal charm, vitality, as well as great value for price at Michel Picquart's restaurant, *Assier*. Situated on a dreary side street near Place de la République, this 1930s-style bistro is filled day and night with neighborhood regulars. People come in

ONE of the long-time Bourse standbys is *Aux Lyonnais*, once considered among the very top bistros in Paris. It doesn't rate nearly that high today, but for simple perfection there are few spots to equal it. As one friend exclaimed, "Everything's so clean here, it looks as though it's been washed seven times!"

It is a bright, lively place at lunch, when office workers pour in, and the noise level heightens to a fine, musical high. We're talking very basic but very good bistro fare here, including a *salade frisée aux lardons* topped with a perfectly poached egg, copious enough for two, and *baguettes* that taste as though they popped out of the oven only seconds before.

Equally appealing are the *petits plats chauds* (tiny well-seasoned sausage patties, wrapped in caul fat), and a *confit de poulet*, a real revelation. Why not? We could duck and goose and even turkey in fat to flavor as well as conserve them, so why not a good farm hen as well. With it all, sample the fine assortment of *Beaufortais* from Pierre Ferrand.

You can end the meal here with a giant floating island — served out of a hot fudge sundae dish — or a fine *tarte Tatin*, smothered in rich *crème fraîche*.

L'Assiette, 181 Rue du Château, Paris 14; tel: 43.22.64.86. Closed Monday and Tuesday. Credit cards: American Express, Diners Club, Visa. About 250 francs a person, including wine and service.

Assier, 44 Rue Jean-Pierre Timbaud, Paris 11; tel: 43.37.16.35. Closed Saturday, Sunday and August. Credit cards: Visa. About 125 francs a person, including wine and service.

Aux Lyonnais, 32 Rue Saint-Marc, Paris 2; tel: 42.96.63.04. Closed Saturday lunch and Sunday. Menu at 57 francs, not including wine. A la carte, 125 to 175 francs a person, including wine and service.

The Right Island

Continued from page 7

hawk baskets filled with half a dozen varieties of spices and homemade fudge, coconut candy and fresh coconut milk. For many tourists these vendors are part of the fun of a Caribbean vacation. They enjoy chatting with them and sometimes buy a souvenir. Others, however, find the vendors annoying. Vendors are probably most aggressive in Jamaica and Barbados. Sometimes it is a case of poor people desperately trying to earn a few dollars. Sometimes tourists give

mixed signals. Instead of ignoring the vendors and moving along briskly, they encourage them by showing polite interest.

Generally, beach vendors are not dangerous. Even the more aggressive ones will go away eventually. But there are people on some of the islands who prey on tourists. Jamaica has more than its share of this, but even there, crime and violence against tourists is the exception. Many of the resorts in Jamaica are surrounded by fences and

employ security guards. The beauty of the islands and their languid pace often leads usually sophisticated visitors to cast aside normal precautions. But beyond the beaches, the cities and towns of the Caribbean are extremely poor. Unemployment in many is high. Sometimes the sight of a gold chain on a tourist's neck is an irresistible temptation.

All the waters in the Caribbean are delightful. But in some places the water is more crystalline and

below the surface there is a marvelous world of fish and coral. Scuba experts say there is no place better than Bonaire, the little Dutch island 50 miles north of Venezuela. Bonaire is also an excellent site for snorkeling because it is surrounded by coral reefs in shallow water.

Not so widely known is that nearby Curaçao is almost as good a diving spot as Bonaire. There are several shipwrecks around Curaçao for divers to explore and the local government has created an underwater national park that encompasses natural reefs as well as a man-made reef called *Bus Stop*, which was created by dumping dozens of wrecked cars into the sea. Willemstad, the capital of Curaçao, with its gabled facades and pecked tile roofs, looks as if it was transplanted from Amsterdam.

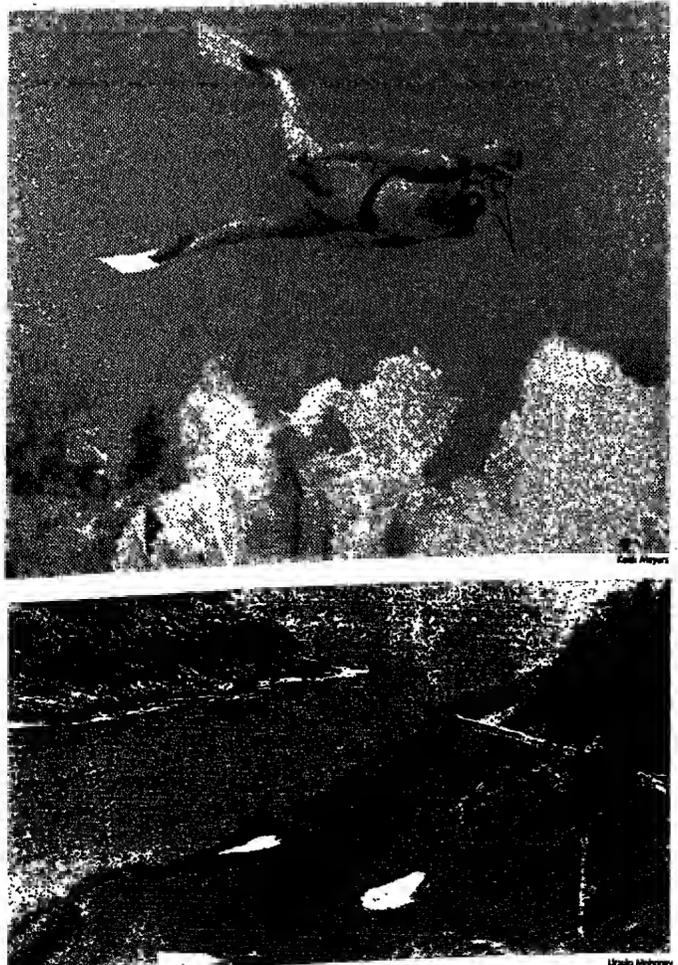
The three Cayman islands, Grand Cayman, Little Cayman and Cayman Brac, are also renowned for diving.

Aruba, Bonaire and Curaçao, all part of the Netherlands Antilles, get very little rainfall. Indeed they are closer to desert than tropics, but they are cooled by the trade winds and temperatures are mild the year round.

CURACAO does not have the kind of beaches that take your breath away. For that, try Aruba. Its Palm Beach and Eagle Beach are wide stripes of sugary white sand, with gentle waters. Water-ski and dive boats as well as yachts loaded with rum punch and calypso bands, all set for sunset cruises, nose right up to the beaches to collect passengers.

Bonaire is one of the islands blessed with dozens of species of tropical birds, and it is a breeding ground for more than 10,000 flamingos. Dominica, which lies between Guadeloupe and Martinique and is also near Antigua, has many birds, too, but in contrast to the parched, flat surface of Bonaire, the former British colony offers jungle-covered mountains teeming with orchids and rare tropical flowers. It has few beaches, however, and none that are remarkable. The hotels are small and spartan. Many visitors spend a few days in Dominica as part of a vacation on the nearby French islands or Antigua, where Nelson's Dockyard has been restored, with shops and museums and two old-style hotels that recall the days when Admiral Nelson patrolled the Caribbean.

Trinidad is renowned for its Ass Wright Bird Sanctuary, 45 minutes by taxi from the island's international airport, and the smaller nearby island of Tobago has several species of hummingbirds and glorious empty beaches.



The active side: Diving off Grand Cayman; golfing on St. Thomas.

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AMEX Diary table listing stock symbols and their previous day's closing prices.

NASDAQ Index table showing high, low, close, and change for NASDAQ indices.

AMEX Most Actives table listing top trading volume stocks on the AMEX.

Dow Jones Bond Averages table showing yields and prices for various bond categories.

NYSE Diary table listing stock symbols and their previous day's closing prices.

Odd-Lot Trading in N.Y. table showing volume and value for odd-lot trades.

Dow Jones Averages table showing high, low, close, and change for major market averages.

Standard & Poor's Index table showing high, low, close, and change for S&P indices.

NASDAQ Diary table listing stock symbols and their previous day's closing prices.

AMEX Stock Index table showing high, low, close, and change for AMEX indices.

Tables include the nationwide prices as to the closing on Wall Street and do not reflect late trades elsewhere.

Dow Lower on Budget Concerns

NEW YORK — Prices on the New York Stock Exchange tumbled Thursday in moderate trading as Wall Street suffered through another day without an agreement on cutting the U.S. budget deficit.

"What will emerge will not be heroic, neither will it be painless," Jim Wright, a Texas Democrat and speaker of the House, said Thursday. When the package would finally emerge became clouded as the day wore on.

12 Month High Low Stock table with columns for stock symbols, volume, high, low, and change.

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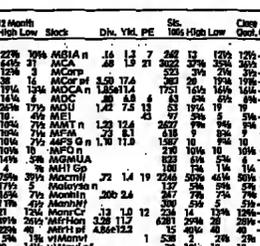
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Because gold moves independently of paper investments, it tends to stabilize your portfolio. The historical trend of the gold price has always been up.



Money you can trust.

Currency Rates

Table listing currency exchange rates for various international currencies.

Commodity Rates

Table listing commodity prices for various goods and materials.

(Continued on next left-hand page)

Why do we need the most hi-tech aircraft maintenance centre in Asia? Thai

INTERNATIONAL MANAGER Crisis Brings Recognition To Back-Office Stalwarts

By SHERRY BUCHANAN International Herald Tribune LONDON — Black Monday is bringing some fresh recognition to back-office employees at investment banks. These are the people who watch the store, keeping track of accounts, advising on risk and exposure, processing data, and handling settlements. Although such jobs have not been spared as investment banks cut staff across the board after the stock market's collapse, investment banks are starting to appreciate people with skills in financial control and cost-cutting. Some banks already are searching for a small number of such people, according to headhunters in London, Paris and New York. "Most banks will need two or three new people in that area," said Mark J.H. Weedon of Egon Zehnder International Ltd. in London. Mr. Weedon said that the trend had been developing over the past six months as investment banks recognized that there was a problem in the back office. "Back office people used to be considered inferior," he said. But "suddenly, everyone realizes they are worth their paper weight in gold."

As the newly fired golden boys, the traders and the dealers, bitterly leave their company-owned Porsches double-parked in front of the office, lights blinking, and throw away the keys — or so the story goes — investment firms are tightening up their control functions. "There isn't the blood-letting in Paris that has been going on in London," said Guillaume Beaux of Cholet Dupont, a Paris brokerage. "French brokers aren't market makers, so they didn't experience the big losses that brokers did in London or New York and haven't had to cut staff." "But there is no doubt that the emphasis now is on control," he said. "The back office is where the jobs will be." Of 140 people working for Cholet Dupont, 15 hold control functions. "The large increase in volume of stocks traded substantially aggravated operational errors, which were numerous," Mr. Beaux said.

GENERAL bank managers "want to figure out what went wrong in the whole system," said Marc Lamy, managing partner in Paris for the bank and finance sector of Herdick & Struggles Inc., the international executive search firm. Of the 10 executive searches Mr. Lamy is conducting in the financial services sector, six involve finance and control functions.

In September, a French commercial bank put the head of the back office on an equal footing with the head of the capital markets trading department, reporting directly to the deputy director. "They want people who will be ready to participate, teach and explain, whose loyalty is to the bank, not to fellow traders," Mr. Lamy said.

"The big problem is that general managers have a hard time understanding what those traders do 12 hours a day," he said. "They don't want any more prima donnas in trading." But at most banks, the back office supervisor reports to the chief trader in capital markets.

Brooks T. Chamberlin, a senior partner for financial services at the international executive search firm Korn/Ferry International in New York, said, "Right now, investment banks are getting rid of people. But when they do hire again, they will look as much at general management skills as at they do at dealing skills. The strong market has covered a multitude of sins."

Mr. Chamberlin of Korn/Ferry said, "There is a greater demand for internationally oriented finance types." Not everyone who has lost his job is going to find one with another financial firm, said Mr. Weedon of Egon Zehnder. "Over the next six months, there will be a game of musical chairs with not enough seats to sit in."

Hammer, Soviet in Oil Deal

3 Firms to Build \$5 Billion Plant

The Associated Press MOSCOW — Armand Hammer, the chairman of Occidental Petroleum Corp., announced plans Thursday to build a giant petrochemical complex in the Soviet Union in conjunction with Montedison SpA of Italy and Marubeni Corp. of Japan. The Soviet Union will provide the gas, liquids and sulphur produced at its Tengiz oil field near the Caspian Sea in exchange for 51 percent ownership of the venture. Mr. Hammer said that Occidental, Montedison and Marubeni would seek other partners for the project. It is expected to cost the developers \$5 billion to \$6 billion before going into full operation in 1995.

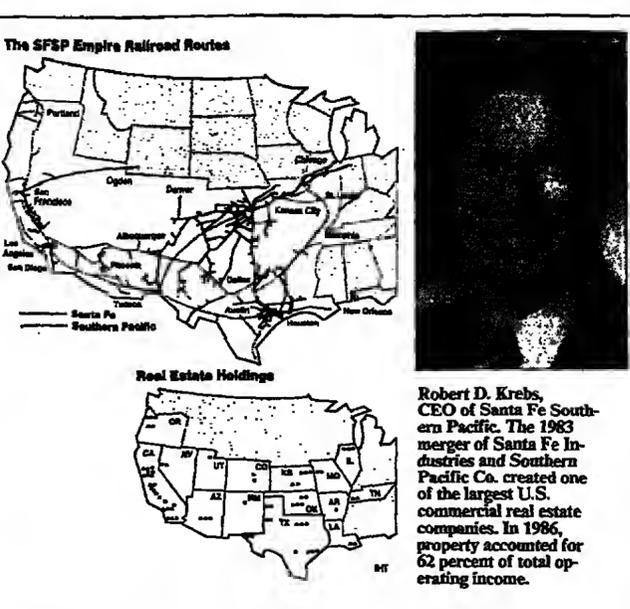
If the project lives up to expectations, it will be the largest joint venture of its kind in the Soviet Union and one of the largest petrochemical plants in the world.

Mr. Hammer said at a news conference that the private corporations would recover their investment and make profits by exporting 50 percent of the pure sulphur, plastics and other petrochemicals produced at the plant. Montedison is a leading producer of polypropylene and polyethylene, and Occidental is a major consumer of sulphur in its manufacture of fertilizers.

"So it's a good fit," he said. "The value of the product is so great that 50 percent export will finance the project very well, returning our investment and giving us a profit."

Pasquale Langolf of Montedison said his firm had built 50 plants in the Soviet Union and would take the lead in construction and operation of the new complex. He predicted that the plant would be operating in three years and in full production by 1995.

Mr. Hammer said he had met Wednesday with Prime Minister Nikolai I. Ryzhkov and won approval for the project before signing a memorandum of understanding with the Oil Industry Ministry.



Santa Fe's Suitors Covet Its Land

Choice Property Counts More Than Railroad Lineage

By Chris Kraul Los Angeles Times Service SAN DIEGO — Although the bidding contest for Santa Fe Southern Pacific Corp. springs largely from a pending breakup of its giant railroads, real estate is the overarching interest of its suitors. SFSP's best-known businesses — the Atchison, Topeka and Santa Fe and Southern Pacific railroads — apparently are of secondary importance to Healey Group Inc. and Olympia & York Development Ltd. What Healey and Olympia & York have their eyes on are some 3 million acres (527,000 hectares) owned by SFSP in 14 states. About 1.3 million acres of those holdings are in California, making SFSP the state's largest private landowner. While more than 95 percent of the property is low-value grazing land, desert and timberland, the remaining property includes unique gems of underdeveloped and undeveloped property, many of them parcels in prime urban areas that SFSP is redeveloping for "highest and best use." In California, those diamonds in the rough include 208 acres that are now used as rail yard near San Francisco's financial district; 20 developable acres near San Diego's harbor front; 350 acres along San Francisco Bay's eastern shore; 716 acres in Fremont; and 450 acres of waterfront property in Chula Vista.

U.S. Rediscovered Oil As Trade Gap Nemesis

Rising Imports, Prices Revive Bugbear

By Louis Uchitelle New York Times Service NEW YORK — The stubbornly high trade deficits in recent months are making the United States rediscover an old nemesis: oil imports. Oil imports bottomed out in 1984 after nearly a decade of declines, but have since been rising almost unnoted. Now they are reaching the point where oil has become almost as important a component of the trade deficit as imported manufactured goods. "The oil problem is back with us again," said Howard Munn, a Commerce Department official. Imports have gotten high enough to make a very noticeable addition to the deficit. Although the value of oil imports dipped in September and might do so again, most analysts say these drops are the exception and that the long-term outlook is for a steady increase. The Commerce Department estimates that the cost of crude oil and refined products will rise to \$46 billion this year from \$37.1 billion in 1986. That means oil will account for 11 percent of the nation's total import bill in 1987. The reasons are plain enough. Petroleum consumption, particularly gasoline, is rising as the economy expands. Domestic oil production, meanwhile, has fallen sharply over the last 18 months and is continuing to drop. Conservation efforts have dwindled and the price of crude seems to be settling at \$18 to \$20 a barrel — too low to discourage conservation.

Plunging oil prices in 1986 had masked the fact that imports increased 25 percent in quantity.

Imports are rising because the costs of finding and producing oil are higher in the United States than in any other nation — 8 or 10 times higher in some cases. The price of oil would have to return to at least \$28 a barrel for U.S. oil companies to increase their production, according to a survey of the companies. Oil prices have not been that high since 1985. Since 1985, U.S. production has plunged by nearly a million barrels a day, to 8.3 million barrels a day. Experts expect prices to stay at the current level in the months ahead. They argue that \$18 to \$20

Sony to Buy CBS Records For \$2 Billion

Compiled by Our Staff From Dispatches NEW YORK — CBS Inc. has agreed to sell its worldwide record division to Sony Corp., the electronics giant, for about \$2 billion in cash. The sale is the final step in the transformation of CBS from a highly diversified entertainment company to solely a broadcast business. During a yearlong restructuring, CBS has shed its magazine, music and book publishing divisions, leaving its core television and radio operation. The decision was made late Wednesday, but word had filtered earlier through Wall Street, where CBS stock rose \$6.25 to close at \$176 a share on the New York Stock Exchange. Analysts said they believed that the sale would benefit both companies. They said CBS would gain more from the immediate cash for use on other ventures closer to its main broadcasting activities. Sony, meanwhile, would gain a powerful base from which to sell such equipment as compact disks, compact-disk video, laser disks, high-definition television and especially digital audiotape recorders. Sony's purchase of CBS Records, the world's largest record company, could make Sony the dominant player in the record industry, analysts in Tokyo said. They said Sony's new ability to produce records and tapes would boost its sales of consumer electronics equipment. But Sony's general manager for corporate communications, Masa Namiki, said Thursday that Sony would not dictate what software the company should produce. He said Sony believed that consumer electronics hardware and software, such as records and tapes, should be completely independent. But analysts said that in the long run, Sony's connection with both sides of the music industry could allow the company to exercise enormous influence. "There are now all kinds of areas where there is a potential synergy," said Martin Bersford, an analyst with Morgan Stanley in Tokyo. For example, Sony and its competitors have not been successful in

U.S. Asserts Japan Dumped Forklift Trucks

WASHINGTON — The Commerce Department issued a preliminary finding Thursday that Japanese firms were dumping internal combustion forklift trucks on the U.S. market at below cost. It said the Japanese companies were selling the trucks at up to 56 percent under value. It said it would require that cash deposits or bonds on the truck imports make up the difference pending a final ruling. The department, which acted on complaints by U.S. makers and unions, said that Japanese trucks worth \$235 million were sold in the United States in 1986. It said that a final ruling would be made by Feb. 1. The Commerce Department said that if dumping were confirmed, the International Trade Commission had 45 days in which to decide whether the truck imports were harming the U.S. industry.

Currency Rates

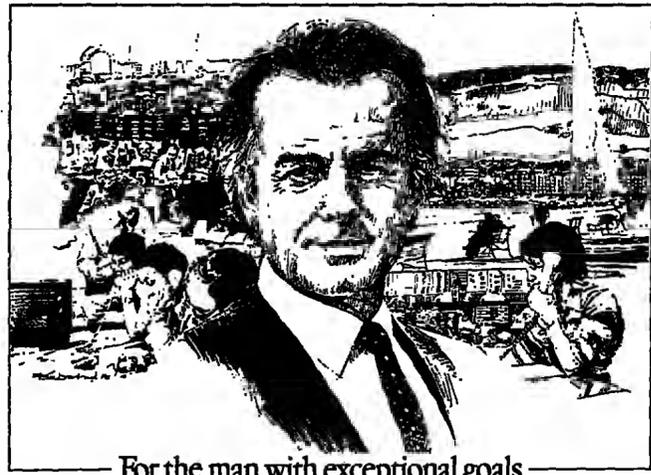
Table with columns for Currency, Par \$, and various exchange rates for major currencies like British Pound, West German Mark, Japanese Yen, etc.

Interest Rates

Table with columns for Eurocurrency Deposits, Key Money Rates, and U.S. Money Market Funds, showing various interest rates for different terms and instruments.

Gold

Table showing Gold prices in various currencies (A.M., P.M., C/F) and other market data.



For the man with exceptional goals

ASSET MANAGEMENT IN SWITZERLAND

If you (like many successful people) do not have the time to manage your own portfolio of assets, why not let the professionals at TDB handle the job? At TDB in Switzerland we are well-prepared to provide this service. Our experienced portfolio managers devote their full time to selecting investments for maximum security and growth potential. Another TDB advantage: our worldwide sources of timely financial information, through our global link with American Express Bank and its 99 offices in 43 countries. Equally important, our clients have access to the investment opportunities available through the American Express family of companies — providing additional ways to protect their assets and make them grow. Our investment counselors will gladly review your situation and advise you on the portfolio best suited to your individual needs. In strictest confidence, of course. TDB: an exceptional bank for the man with exceptional goals. Visit us on your next trip to Switzerland. Or telephone: in Geneva, 022/37 21 11; in Chiasso, 091/44 87 83. TDB, the 6th largest commercial bank in Switzerland, is an affiliate of American Express Company, which has assets of more than US\$99 billion and shareholders' equity in excess of US\$5.7 billion. TRADE DEVELOPMENT BANK An American Express company



The Trade Development Bank head office in Geneva, at 96-98, rue du Rhône.

Floating-Rate Notes

Table with columns: Issuer/Mat., Coupon, Bid, Ask. Lists various floating rate notes from issuers like Citicorp, Citicredit, etc.

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DAKS Simpson GROUP PLC. "We plan further growth and we will achieve it". Principal Group Activities: Manufacturing, Licensing, Distribution, Contract, Retailing. Results in brief for 1987 and 1986.

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Japanese Ship Orders Rise

Agency France-Press TOKYO — Ship export orders received by Japanese shipyards jumped 24.8 percent in October from a year earlier to 343,450 gross tons, the Japan Ship Exporters' Association reported Thursday.

Table with columns: Ship Name, Type, Tonnage, Order Date, Shipyard. Lists various ship orders.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Table with columns: Company Name, Revenue, Profit, Per Share. Lists results for companies like ACI International, Longs Drug Stores, etc.

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Table with columns: Company Name, Revenue, Profit, Per Share. Lists results for companies like International Thomson, Penney (J.C.), etc.

Table with columns: Company Name, Revenue, Profit, Per Share. Lists results for companies like Fed. Dept. Stores, United States, etc.

Nikko Securities is Pleased to Extend Congratulations to the International Herald Tribune as it Begins Daily Publication in Tokyo. NIKKO Nikko Securities 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo, Japan. Tel: (03) 283-2211 Telex: 122410

SHERIDAN MORLEY IN THE IHT EVERY WEDNESDAY WITH PERCEPTIVE CRITICISM OF THE LONDON THEATER

Dozo Yoroshiku Onegai Itashimasu

As a fitting climax to our centennial year, the International Herald Tribune inaugurates its tenth facsimile printing site — in Tokyo. Coming after Hong Kong (1980) and Singapore (1982) this is our third printing location in the Pacific area. IHT readers will now get day-of-publication service in Japan — just as they already do throughout Southeast Asia.

INTERNATIONAL Herald Tribune

Bringing the world's news to you

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Duty Free Shop TODAY

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BUSINESS ROUNDUP

Honda Profit Slips to 23 Billion Yen

TOKYO — Honda Motor Co. reported Thursday that parent company net profit was 23.14 billion yen (\$170 million) in the seven-month period ended Sept. 30, better than an earlier estimate. But calculations showed that net profit was nonetheless down for the period.

The seven-month period ended in September and the six months ending in March would each constitute a fiscal year. Honda provided figures enabling a comparison with the previous six-month period, arrived at by dividing the seven-month figures by seven and then multiplying by six.

Plessey Profit Plunged 22% To £68 Million in Fiscal Half

LONDON — Plessey Co., the telecommunications and military electronics company, reported Thursday that its pretax profit fell 22 percent in the first six months of its fiscal year, to £68.2 million (\$120.8 million) from £87.4 million a year earlier.

On that basis, parent company net profit was 19.83 billion, down 3.9 percent from the six months ending Aug. 31, 1986, while sales were up 5.3 percent to 43.57 billion yen, down 3.9 percent, and sales were up 5.2 percent from a year earlier.

Smith Barney Lost \$43 Million in October

NEW YORK — Smith Barney Inc., the big securities firm owned by Pramerica Corp., had a net loss of \$43 million in October, caused primarily by its risk arbitrage activities.

The results are in keeping with the losses of other investment firms in October, when the stock market posted its largest decline in history. "In general, the industry will be lucky to break even this quarter," said Nancy Young, financial services analyst for Tucker, Anthony & R.L. Day.

Renault Reports Higher Revenue

PARIS — Renault, the state auto group, reported on Thursday that revenue for the first half of 1987 was 11.7 billion francs in 1986 of total consolidated revenue of 131.06 billion francs, a 11.6 percent increase from 66.55 billion a year earlier.

Bow Rejects BritGas Takeover

LONDON — British Gas PLC said Thursday that Bow Valley Industries Ltd. had rejected its bid to gain control of the Canadian gas and oil producer. But British Gas said it would continue to seek a majority stake.

Japan's Trading Houses Post Gains for Half

TOKYO — All nine major Japanese trading houses reported gains in sales Thursday for the first half of their fiscal year, and eight showed increases in pretax profit.

Mitsui & Co. increased pretax profit by 20.2 percent to 21.5 billion yen on sales totaling 6,754 billion yen, up 7.9 percent. Sumitomo Corp.'s pretax profit was 23.3 billion yen, up 1.4 percent, on sales of 6,707 billion yen, up 4.3 percent.

SANTA FE: Suitors Are After Real Estate, Not Its Well-Known Railroads

(Continued from first finance page) was given as of Dec. 31: \$640.1 million, a fraction of SFSP's total assets of \$11.6 billion.

Over the years, the Atchison, Topeka & Santa Fe line, chartered in 1859, was granted 14.9 million acres. Southern Pacific, whose lineage goes back to 1865, was granted 21.7 million acres, including 14 million acres in California, according to the Association of American Railroads and SFSP.

Takeover speculation has focused attention on SFSP's land and, for that matter, on the undervalued property of all U.S. railroads. Rumors boosted SFSP's share price to a record \$65 before the stock collapse.

At the time, Henley owned 14.7 percent of SFSP's outstanding shares and Olympia & York owned 6.9 percent. Both had indicated their willingness to take over SFSP. Prospects are still cloudy for such a takeover, which would be the largest non-cash deal in U.S. corporate history.

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Despite the railroads' protestations that the land business was only marginally profitable until recent years, the grants excited enormous envy and suspicion among those who contended that the railroads were hoarding land for speculative purposes.

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INTERNATIONAL CLASSIFIED (Continued from Back Page) ESCORTS & GUIDES LONDON BELGRAVIA REGENCY NY NY & LONDON ESCORT SERVICE 212-836-9077

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 19th Nov 1987. Table listing various international funds with columns for fund name, share price, and other financial data.

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U.S. Futures

Via The Associated Press

Grains

Table with columns for commodity, contract, and price. Includes Wheat, Corn, Soybeans, and Soybean Meal.

Food

Table with columns for commodity, contract, and price. Includes Coffee C, Sugarworld 11, Orange Juice, and Soybean Meal.

Metals

Table with columns for commodity, contract, and price. Includes Copper, Aluminum, Silver, and Platinum.

Thursday's AMEX Closing

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Livestock

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Metals

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Industrials

Table with columns for commodity, contract, and price. Includes Lumber, Cotton, and Rubber.

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Currency Options

Table with columns for currency, contract, and price. Includes Philadelphia Exchange and other options.

Financial

Table with columns for financial instrument, contract, and price. Includes US Treasury Bonds and other instruments.

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AMEX Highs-Lows

NEW HIGHS and NEW LOWS

Table listing AMEX Highs and Lows for various stocks.

NYSE Highs-Lows

NEW HIGHS and NEW LOWS

Table listing NYSE Highs and Lows for various stocks.

NBC Is Reported to Seek Turner Broadcast Stake

ATLANTA — The NBC television network has begun preliminary discussions aimed at acquiring a stake in Turner Broadcasting System Inc., a published report said Thursday.

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CURRENCY MARKETS

Dollar Eases Before Budget Deadline

NEW YORK — The dollar was mostly lower Thursday in nervous trading in New York and Europe after hopes for a long-awaited agreement on cutting the U.S. budget deficit were frustrated again, dealers said.

London Dollar Rates

Table with columns: Currency, Bid, Ask, Bid, Ask. Includes Deutsche mark, Pound sterling, Japanese yen, Swiss franc, French franc.

Dealers noted that despite a bumpy ride in late trading, the dollar had remained for most of the day inside relatively narrow ranges.

The British pound gained, closing at \$1.7775, compared with \$1.7745.

Some dealers said there was a growing feeling that no agreement would be reached by Friday, when the Gramm-Rudman legislation mandating automatic cuts of \$23 billion will come into force.

Earlier in the day, in a speech to the U.S. Chamber of Commerce, President Ronald Reagan urged budget negotiators to develop a long-term plan for reducing the deficit.

The dollar retreated after Senator Bob Packwood, an Oregon Republican, ruled out a budget agreement on Thursday.

"The market is exhibiting an incredible amount of patience," said Bob Hatcher of Barclays Bank. "I just don't know how much longer this patience can persist."

The dollar closed in London at 1.6810 DM, down from 1.6850 DM at Wednesday's close, and at 135.25 yen, almost unchanged from 135.25.

The pound also firmed against the dollar, closing at \$1.7790, compared with \$1.7710.

Sterling was sidelined, firming on the back of the weak dollar to close at 75.4 on its trade-weighted index, down slightly from 75.2 at the opening but up from 75.2 Wednesday.

It hardly reacted to better-than-expected British bank lending figures for October, which showed a £2.9 billion increase against a median forecast of £3.5 billion.

In earlier European trading, the dollar was fixed in Frankfurt at 1.6791, down from 1.6972 on Tuesday. The market was closed Wednesday for a holiday.

It was fixed in Paris at 5,700 French francs, down from 5,750, and closed in Zurich at 1,3755 Swiss francs, down from 1,3915.

M-1 Falls \$3.7 Billion

The M-1, the narrowest measure of the U.S. money supply, fell \$3.7 billion to a seasonally adjusted \$759.1 billion in the week ended Nov. 9, the Federal Reserve reported Thursday.

The previous week's M-1 level was revised to \$762.8 billion from \$763.0 billion, while the four-week moving average rose to \$762.5 billion from \$761.2 billion. M-1 includes cash in circulation and checking accounts and nonbank traveler's checks.

Hong Kong Says It Won't Revise Peg to Dollar

HONG KONG — Hong Kong, South Korea, Taiwan and Singapore on Thursday resisted U.S. pressure to let their currencies rise, saying they would undertake other measures to offset trade imbalances with the United States.

Foreign exchange dealers said there were rumors that Hong Kong might change the system of pegging the Hong Kong currency to the U.S. dollar after David Mulford, the assistant U.S. Treasury secretary, said Tuesday that newly industrializing countries in Asia must cut their trade surpluses to ease global economic strains.

In Hong Kong, Joseph Yam, deputy secretary of monetary affairs, said the British colony would not revise the peg, currently at 7.80 Hong Kong dollars to the U.S. currency. South Korea's currency has risen almost 8 percent against the dollar this year, Singapore's, 7 percent.

Taiwan has a trade surplus with the United States of more than \$13 billion, according to U.S. figures.

Markets Brace for Effect Of a Weak Deficit Pact

By Robert A. Bennett

NEW YORK — The financial markets are bracing for a decline should Congress and the Reagan administration cut the U.S. budget deficit by between \$20 billion and \$23 billion only, as many analysts and economists now think is likely.

Few analysts predicted a fall in the stock market along the lines of the 508-point plunge in the Dow Jones industrial average on Oct. 19. At the same time, no one said that such a plunge was impossible.

"The market would react negatively to a budget cut of only \$20 billion," said Leon G. Cooperman of Goldman, Sachs & Co. He predicted that the dollar could "head south, immediately impacting the bond market, which would immediately impact the stock market."

Until Congress and the administration reach some sort of agreement, "the stock market's on hold and waiting," he said.

Douglas Schmidt of Merrill Lynch said the markets did not expect the deficit reduction to be anywhere near the \$30 billion that administration and congressional negotiators had sought.

Merrill Lynch, he said, expects the reduction to be between \$20 billion and \$23 billion, after adjusting for one-time factors and financial strategies.

"It's widely expected to be about \$23 billion," Mr. Schmidt said, "but if the reduction was higher, the market can go up."

Robert J. Barbera, chief economist at E.F. Hutton & Co., said that after adjusting for "blue smoke and mirrors," he expected the reduction to be as little as \$19 billion or \$20 billion, less than the \$23 billion that had been mandated by the Gramm-Rudman-Hollings budget-balancing bill.

Allan Sinai, chief economist at Shearson-Lehman Brothers, said a \$23 billion reduction would be "disappointing" and "certainly cannot help the markets."

Mr. Sinai said he would not rule out another big decline in the stock market and predicted that the biggest negative reaction might be among foreigners, with the dollar hit the hardest.

"There is a risk of a smaller dose of what happened in October at almost any time," he said.

In the bond and foreign exchange markets, analysts appeared resigned to a weak agreement.

"There is no number big enough" to satisfy the foreign exchange market, said Garrett Glass, a vice president in the foreign exchange department at First National Bank in Chicago.

"What the markets want are budget cuts sufficient to generate a recession. That is the only way the trade deficit will improve. We aren't going to get it."

Mexico's Peso Skids Again, But Shares Rise in Anomaly

By William Orme

MEXICO CITY — In an apparently paradoxical display of weakness and strength in Mexico's embattled economy, the peso plunged further in free trading here Thursday while the stock market surged boldly ahead.

When government banks shut their doors Thursday afternoon the peso stood at 2,550 to the dollar, a stunning 49 percent below the rate of 1,715 in effect when free-market currency trading opened Wednesday morning. On Wednesday the peso had traded at 2,275 to \$1, the result of a central bank decision to withdraw financial support from the currency.

In some privately operated exchange houses in Mexico City and along the U.S. border, however, the peso plunged as far as 3,000 to the dollar on Wednesday before recovering on Thursday to 2,500 to 1.

The Mexican stock market, meanwhile, registered a strong 15 percent gain on Thursday, building on Wednesday's record 18 percent rise.

As analysts had predicted, the biggest gainers on the market were companies heavily dependent on export sales. The big losers were the department store chains whose consumer imports will be made more costly by the falling peso.

Officials at Mexico's central bank stressed that the peso's fall affected only the so-called free exchange rate, which is used primarily for tourism, profit remittances, and private foreign debt payments. The "controlled" rate, fixed daily by the central bank and used for more than two-thirds of Mexico's foreign exchange transactions, was set Thursday at 1,710 to the dollar, down only slightly from Wednesday's 1,706 to 1.

Treasury Secretary Gustavo Petricoli, speaking before Congress Thursday, said that the Mexican economy is fundamentally sound and promised that the government's exchange rate policies would remain "rational and flexible."

In a statement issued late Wednesday, Mr. Petricoli said the government had been intervening to prop up the free market peso in recent weeks but stopped the practice because "speculative movements were beginning to affect the level of our foreign reserves."

of the past, if use of the wood.

Christ in the Art, which is a scene of the Virgin's golden room which sees in her

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Thursday's OTC Prices NASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Large table of OTC stock prices with columns for stock name, bid, ask, and change.

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OBSERVER

Breakfast of Wimps

By Russell Baker

NEW YORK — Do Americans really eat breakfast cereal? ... One of its biggest battlefields is the old-folks network news slot on television.

We are beset hourly with pleas for money to conquer this, that and the other disease. The news feeds us regular disease bulletins: new diseases are being discovered every day; new way of catching old disease reported found in laboratory; science finds that old way of curing new disease creates brand new incurable disease.

Hard to believe, but how else explain the war of the breakfast cereals now enriching the U.S. advertising industry? ... Now the hour is owned by breakfast cereal. Either grown-up, adult, mature, yuppie-age Americans are eating breakfast cereal, or somebody at the Harvard Business School has convinced the latest tycoons that such people can be made to eat like stult.

The AIDS epidemic has dampening the American zest for the zipper sex life. It will be interesting to see how the auto industry copes with the problem of depicting the new machines as just what the doctor ordered.

When I knew the Englishman better I asked why he had called for breakfast cereal rather than kippers, eggs, ham, scrapple, bacon, pancakes with maple syrup, French toast, hot rolls with apple butter, blackberry preserves, and peach plum jelly, all of which were ready to serve him.

Actors with gray in their hair, but not too much, discover in the nick of time that their old cereal doesn't have as much cancer-preventing fiber as they can get from the sponsor's product.

Joe Mantegna's Cast of Shady Characters

By Myra Forsberg

JOE MANTEGNA revels in shady characters: slimy gamblers, cutthroat salesmen, lecherous dentists, mercenary mobsters and Hollywood hustlers. He plays the type of men who snarl, "You say I acted atrociously? Yes I did. I do it for a living!"

stand his acting, so I think we speak to each other very succinctly. In Mantegna's view, their collaboration is "nothing more complex than here are two guys who grew up in Chicago, were born two weeks apart, one guy's a writer, the other guy's an actor."



Joe Mantegna in "House of Games."

But the performer — who has earned glowing reviews for all three incarnations — is not taking a vacation just yet. He is in Chicago, having finished Mamet's new play, "Things Change," and he will travel to New York in the spring to appear in Mamet's new play, "Speed the Plow."

While he has been closely identified with the playwright since 1984, the Mamet-Mantegna relationship actually goes back nearly 15 years. "I had just joined the Organic Theater Company in Chicago and done 'The Wonderful Ice Cream Suit.' David said that and thought I'd be good for a part in his new play 'Sexual Perseverance' in Chicago."

Actors who want to eat breakfast in peace are badgered by relatives and colleagues. Sometimes these bores hound them with cries that the sponsor's stuff has more fiber than the stuff they're eating. Sometimes the breakfast eater is an old-timer putting away tasty lashings of bacon, eggs, pancakes, kippers and so on, when a dour youth, his mind an eternal gloom plip, interrupts to destroy the old fellow's peace of mind by asking, "Don't you know that eating a delightful breakfast will kill you?"

The play was "Glengarry Glen Ross," a smirky actor in John Hancock's "Weeds," and a bristly prosecutor in Peter Yates' "Suspect." Mamet says that he had Mantegna "in mind all the time" when he was writing "Glengarry," "House of Games," "Things Change," and "Speed the Plow."

first Mamet drama "before a paying audience" when he was one-half of the Chicago cast of "A Life in the Theater." A few years later, he appeared in a Mamet one-act play called "The Disappearance of the Jews" in Chicago. "It was during that production when David mentioned, kind of offhandedly as he's done his whole life with me, 'Well you know, Joe, I've got this play that I think you'd be good for. I'll send you a copy.'"

zero about real estate. I had never owned a house, my father had never owned a house. I had lived in apartments all my life. "You also have to understand that David writes plays like some people write epic poems. There's very little in terms of stage directions or any external material. So you can read page after page of dialogue. He'll start off they're in a restaurant, and the next stage direction is the end. So I had to do a little research — find out what these things called leads were."

PEOPLE

Fassbinder Play Cancels After Rotterdam Protest

The Dutch premiere of Werner Fassbinder's play, "Die Stadt und Der Gorbachev," canceled after Jewish activists walked onto the stage in protest and began a debate with spectators.

Miles Davis demanded the privacy of a makeshift tunnel from a dressing room to the stage to see television cameramen when he arrived an hour late for a concert in Milan.

Walter Cronkite says one of his five-decade highlights was playing middle man between President Anwar Sadat and Prime Minister Menachem Begin of Israel.

Kindergarten girls perform traditional dances for Prince Anne shortly after the arrival of the prince in Laos. The princess is on an Asian tour for the benefit of the Save the Children fund.

and Soviet Exchange Site Visits

Kindergarten girls perform traditional dances for Prince Anne shortly after the arrival of the prince in Laos. The princess is on an Asian tour for the benefit of the Save the Children fund.

TODAY'S INTERNATIONAL REAL ESTATE MARKETPLACE. Appears on page 14.

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